

AK LEGISLATURE FINANCE COMMITTEES FILES 2007-2008 3349

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: CSSB125(FIN)-4-30-07
 Bill Version: CSSB125(FIN)
 () Publish Date: 4/30/2007

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title An Act relating to accounting and payment of RDU Direct Appropriation to Retirement
contributions in the PERS and TRS defined benefit plans. Component _____
 Sponsor Senate Rules Committee
 Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	193,113.2	218,287.0	236,058.0	227,873.0	221,067.0	204,207.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	193,113.2	218,287.0	236,058.0	227,873.0	221,067.0	204,207.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	193,113.2	218,287.0	236,058.0	227,873.0	221,067.0	204,207.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type--Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	193,113.2	218,287.0	236,058.0	227,873.0	221,067.0	204,207.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

AS 24.08.036. Fiscal notes on bills affecting State retirement systems. Before a bill which would have an effect on the retirement systems of the State is reported to the Rules committee, there shall be attached to the bill an analysis of the long-term and short-term costs to the State if the bill is adopted, as well as the impact of the bill on the actuarial soundness of the fund. The analysis is in addition to the fiscal note requirements of AS 24.08.035.

Transforming the Public Employees' Retirement System's (PERS) defined benefit plan to a cost share plan, in and of itself, results in the State of Alaska as an employer saving in excess of \$186,727,636 as the State's current employer rate is higher (44.01%) than the proposed average rate (cost share rate) for the plan (22%). The amount will be made up by a direct appropriation by the State to the retirement system.

Prepared by: Patrick Shior, Director
 Division: Retirement and Benefits
 Approved by: Annette Kreitzer, Commissioner
 Agency: Department of Administration

Phone: 465-4817
 Date/Time: 4/30/07 1:00 PM
 Date: 4/30/07

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

BILL NO. CSSB125(FIN)

ANALYSIS CONTINUATION

The bill also sets the cost share rate for the Teachers' Retirement System (TRS), already a cost share system, at 12.56%. This represents a savings of \$269,914,245 to TRS employers which includes the University of Alaska, school districts and regional education attendance areas. The amount will be made up by a direct appropriation by the State to the retirement system.

The bill provides a "hold harmless" provision for PERS employers currently paying below the 22% level. The state will pay \$5,385,372 to the retirement system to cover this differential. These employers are listed in the bill.

The bill also provides a "rebate" provision for PERS employers who have previously made additional payments to pay down their share of the unfunded liability. The State will pay \$7,194,207 to the retirement system on behalf of these employers to recognize these previous payments. These employers are listed in the bill.

On July 1 of each year the State of Alaska will make a payment to the PERS and TRS that, when combined with the total employer contributions is sufficient to pay the system's past service liability at the contribution rate adopted by the Alaska Retirement Management Board.

A summary of the required appropriations for FY08 is listed below.

State of Alaska (as an employer)	22% rate included in agency budgets
TRS employers	12.56% rate included in formula funding

PERS employers additional approp. @32.5%	\$180.5 million
*PERS employers below 22% "hold harmless"	\$5.4 million
*PERS employers "rebate" provision	\$7.2 million

TOTAL	\$193.1 million
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The amount shown on the contractual line (\$193,113.2) is mostly funded by the \$180 million included in HB95. An additional \$12.6 million* will be necessary to fund the hold harmless and rebate provisions of the bill.

If the FY08 ARMB board-adopted rate for PERS remains at 39.76%, an additional appropriation of \$123.2 million will also be required.

There is a separate appropriation for \$270 million for TRS included in HB95.



March 29, 2007

VIA EMAIL

Ms. Kathy Lea
Retirement Benefits Manager
State of Alaska
Department of Administration
Division of Retirement and Benefits
PO Box 110203
Juneau, AK 99811-0203

Re: PERS Analysis Request

Dear Kathy:

As requested, we have analyzed two scenarios regarding contributions to pay down the unfunded actuarial accrued liability for the State of Alaska Public Employees' Retirement System (PERS). Scenario 1 uses the annual required contribution rate in the 2005 valuation of 32.51% and level percent of pay amortization going forward. Scenario 2 uses the funding rate adopted by the Alaska Retirement Management Board (ARMB) of 39.76% and level dollar amortization going forward.

The unfunded actuarial accrued liability used in these calculations is based on the June 30, 2005 valuation results for PERS. The 2005 valuation results are the most recent projections that are available. We will present the projections based on the 2006 valuation, including new assumptions and methods at the June 2007 ARMB meeting.

We are using the assumption that PERS goes to a cost sharing plan and the employer contribution rate for the DB and DCR plans is set in statute to be 22% of the total DB and DCR payroll. The difference between the 22% of total payroll and the DCR contribution rate of 9.77% will go into the DB plan. The State of Alaska will pay the difference between contributions paid by employers and the contributions needed to meet the annual required contribution in the DB Plan.

Please see page 47 of our June 30, 2005 Experience Analysis report for our recommendation on the use of the level dollar amortization method. If state statutes are changed to base the employer contribution rates on total payroll (DB and DCR payroll combined), then the level percentage of payroll method could be used to determine the funding rate. However, since GASB allows amortizing the unfunded liability as a level percentage of payroll for *active members* only if the payroll is expected to increase, you could not use this approach for GASB disclosure since the closed group will result in a decline of payroll of *active members*. This would cause a difference between the funding rate and the GASB ARC for disclosure, resulting in an employer contribution that is less than 100% of the GASB Annual Required Contribution (ARC) for several years.

Ms. Kathy Lea
March 29, 2007
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We prefer not to release our projection software. We would be happy to run additional projections or sensitivity analyses for you. If you have any questions regarding these calculations, please call.

Sincerely,



David H. Slisinsky, A.S.A.
Principal and Consulting Actuary

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Enclosures

c: Ms. Christina Maiquis, State of Alaska
Ms. Michelle DeLange, Buck Consultants

Projected Impact of PERS Cost Sharing Plan
Projections of Contribution Amounts on Total Payroll and by State of Alaska
Based on June 30, 2005 Actuarial Valuation

Public Employees' Retirement System
(\$ in thousands)

Scenario 1

Fiscal Year	Projected Employer Contribution Rate	DB Salary	DCR Salary	Annual Required Contribution	Employer Contributions ¹	Amount of DCR Contributions to Pay DB	Amount Paid by State of Alaska	Funded Ratio
						Plan Unfunded		
2006	16.77%	\$ 1,586,891	\$ -	\$ 266,122	\$ 266,122	\$ -	\$ N/A	66%
2007	21.77%	1,635,324	14,859	359,245	361,062	1,817	N/A	65%
2008	32.51%	1,547,025	169,165	557,933	377,562	20,689	196,898	65%
2009	33.91%	1,478,011	306,826	605,238	392,664	37,525	242,551	67%
2010	34.40%	1,412,624	443,607	638,543	408,371	54,253	273,512	68%
2011	33.49%	1,350,899	579,581	646,518	424,706	70,883	278,437	70%
2012	32.70%	1,285,898	721,801	656,518	441,694	88,276	285,344	71%
2013	31.78%	1,223,927	864,080	663,569	459,362	105,677	288,628	72%
2014	30.83%	1,168,933	1,002,595	669,482	477,736	122,617	289,700	73%
2015	30.17%	1,105,656	1,152,733	681,356	496,846	140,979	297,132	74%
2016	29.22%	1,044,006	1,304,718	686,297	516,719	159,567	297,049	76%
2017	28.44%	973,612	1,469,061	694,696	537,388	179,666	300,835	77%
2018	27.56%	890,139	1,650,241	700,129	558,884	201,824	302,474	78%
2019	26.50%	832,314	1,809,681	700,129	581,239	221,324	295,696	79%
2020	25.92%	773,650	1,974,025	712,197	604,489	241,423	300,570	81%
2021	25.26%	712,411	2,145,171	721,825	628,668	262,354	302,740	82%
2022	24.63%	630,262	2,341,624	731,976	653,815	286,381	306,938	84%
2023	23.83%	557,005	2,533,756	736,528	679,967	309,878	304,109	85%
2024	22.41%	515,316	2,699,075	720,345	707,166	330,097	276,879	87%
2025	22.37%	468,096	2,874,871	747,822	735,453	351,597	293,244	89%
2026	21.99%	419,664	3,057,022	764,523	764,871	373,874	298,323	91%
2027	21.68%	353,981	3,261,772	783,895	795,466	398,915	307,104	94%
2028	21.18%	304,767	3,455,616	796,449	827,284	422,622	306,779	96%
2029	21.44%	270,752	3,640,047	838,475	860,376	445,178	333,732	100%
2030	9.49%	241,888	3,825,343	385,980	759,716	467,839	-	103%
2031	7.82%	210,318	4,019,602	330,780	723,495	491,597	-	105%
Total		\$ 16,796,570	\$ 15,041,121	\$ 5,786,852	\$ 6,378,674			

¹ Includes DCR Contribution

Data, Assumptions, Methods and Plan Provisions:

- PERS is a cost sharing plan
- Assets are assumed to earn 8.25% in all years
- No new DB plan members after July 1, 2006
- The unfunded liability amortization payment uses a payroll growth of 4.25% for all years
- The employer rate for the DCR plan is 9.77% of DCR payroll
- Employers pay 22% of the total payroll for all DB and DCR plan costs. State of Alaska pays for the rest of the DB plan contributions.
- All other data, assumptions, methods and plan provisions are the same as those described in the June 30, 2005 valuation report

Projected Impact of PERS Cost Sharing Plan
Projections of Contribution Amounts on Total Payroll and by State of Alaska
 Based on June 30, 2005 Actuarial Valuation

Public Employees' Retirement System
 (\$ in thousands)

Scenario 2

Fiscal Year	Projected Employer Contribution Rate	Annual Required Contribution		Employer Contributions ¹	Amount of DCR Contributions to Pay DB Plan Unfunded		Amount Paid by State of Alaska	Funded Ratio
		DB Salary	DCR Salary		Plan Unfunded	of Alaska		
2006	16.77%	\$ 1,386,891	\$ -	\$ 266,122	\$ -	\$ -	N/A	66%
2007	21.77%	1,635,324	14,859	359,245	361,062	1,817	N/A	65%
2008	39.76%	1,547,025	169,165	682,357	377,562	20,689	321,322	65%
2009	41.30%	1,478,011	306,826	737,138	392,664	37,525	374,451	68%
2010	41.76%	1,412,624	443,607	775,162	408,371	54,253	410,131	70%
2011	39.78%	1,350,899	579,581	767,945	424,706	70,883	399,864	72%
2012	37.93%	1,285,898	721,801	761,520	441,694	88,276	390,346	74%
2013	35.85%	1,223,927	864,080	748,551	459,362	105,677	373,610	76%
2014	33.78%	1,168,933	1,002,595	733,542	477,736	122,617	353,760	78%
2015	32.02%	1,105,656	1,152,733	723,136	496,846	140,979	338,912	80%
2016	30.03%	1,044,006	1,304,718	705,322	516,719	159,567	316,074	82%
2017	28.24%	973,612	1,469,061	689,811	537,388	179,666	295,950	83%
2018	26.41%	890,139	1,650,241	670,914	558,884	201,824	273,259	85%
2019	24.42%	832,314	1,809,681	645,175	581,239	221,324	240,742	86%
2020	22.95%	773,650	1,974,025	630,591	604,489	241,423	218,964	88%
2021	21.45%	712,411	2,145,171	612,951	628,668	262,354	193,866	89%
2022	20.02%	630,262	2,341,624	594,972	653,815	286,381	169,934	91%
2023	18.45%	557,005	2,533,756	570,245	679,967	309,878	137,826	93%
2024	16.30%	515,316	2,699,075	523,946	707,166	330,097	80,480	94%
2025	15.55%	468,006	2,874,871	519,831	735,453	351,597	65,253	96%
2026	14.51%	419,664	3,057,022	504,467	764,871	373,874	38,267	97%
2027	13.59%	353,981	3,261,772	491,381	795,466	398,915	14,590	99%
2028	12.50%	304,767	3,455,616	470,048	807,662	422,622	-	101%
2029	12.20%	270,752	3,640,047	477,117	832,750	445,178	-	103%
2030	4.52%	241,888	3,825,343	183,839	557,575	467,839	-	105%
2031	3.06%	210,318	4,019,602	129,436	522,151	491,597	-	107%
Total		\$ 14,974,764	\$ 14,590,387	\$ 5,766,852	\$ 5,007,601			

¹ Includes DCR Contribution

Data, Assumptions, Methods and Plan Provisions:

- PERS is a cost sharing plan
- Assets are assumed to earn 8.25% in all years
- No new DB plan members after July 1, 2006
- The unfunded liability amortization payment uses no payroll growth for FY08 rates and later
- The employer rate for the DCR plan is 9.77% of DCR payroll
- Employers pay 22% of the total payroll for all DB and DCR plan costs. State of Alaska pays for the rest of the DB plan contributions
- All other data, assumptions, methods and plan provisions are the same as those described in the June 30, 2005 valuation report

ADOPTED
5/2/07

WORK DRAFT

WORK DRAFT

WORK DRAFT

25-GS1074AO
Wayne
5/2/07

CS FOR SENATE BILL NO. 125()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL
FOR AN ACT ENTITLED

1 "An Act relating to the accounting and payment of contributions under the retirement
2 plans of the Public Employees' Retirement System of Alaska and the Teachers'
3 Retirement System, to calculations of contributions under those retirement plans, and to
4 participation in, and termination of and amendments to participation in, the defined
5 benefit plans of those systems; relating to employer contributions to the health
6 reimbursement arrangement plan; making conforming amendments; and providing for
7 an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 14.25.070 is repealed and reenacted to read:

10 Sec. 14.25.070. Contributions by employers. (a) Each employer shall
11 contribute to the system every payroll period an amount calculated by applying a rate
12 of 12.56 percent to the total of all base salaries paid by the employer to active
13 members of the system, including any adjustments to contributions required by

1 AS 14.25.173(a).

2 (b) The employer shall transmit the contributions calculated in (a) of this
3 section to the administrator in accordance with AS 14.25.065. The administrator shall
4 allocate contributions received for full payment of

5 (1) the actuarially determined employer normal cost for the plan; and

6 (2) all contributions required by AS 14.25.350 and AS 39.30.370 for
7 the fiscal year.

8 (c) If, after allocation of contributions under (b) of this section, a portion of
9 the employer contributions remains, the administrator shall apply that remaining
10 portion toward payment of the past service liability of the plan.

11 (d) Notwithstanding (a) of this section, the annual employer contribution rate
12 may not be less than the rate sufficient to allow payment of the employer normal cost
13 and the employer contributions required under AS 14.25.350 and AS 39.30.370.

14 (e) An employer of a retired member rehired under AS 14.20.135 shall include
15 that member's base salary when calculating the contribution amount established in (a)
16 of this section.

17 (f) In this section, "normal cost" means the cost of providing the benefits
18 expected to be credited, with respect to service, to all active members of the plan
19 during the year beginning after the last valuation date.

20 * Sec. 2. AS 14.25 is amended by adding a new section to read:

21 **Sec. 14.25.085. Additional state contributions.** In addition to the
22 contributions that the state is required to make under AS 14.25.070 as an employer,
23 the state shall contribute to the plan each July 1 or, if funds are not available on July 1,
24 as soon after July 1 as funds become available, an amount for the ensuing fiscal year
25 that, when combined with the total employer contributions that the administrator
26 estimates will be allocated under AS 14.25.070(c), is sufficient to pay the plan's past
27 service liability at the contribution rate adopted by the board under AS 37.10.220 for
28 that fiscal year.

29 * Sec. 3. AS 14.25.220 is amended by adding new paragraphs to read:

30 (46) "past service liability" means the actuarially determined excess of
31 the accrued liability of the plan over the value of the plan's assets, as of the date of the

1 last actuarial valuation;

2 (47) "system" means all retirement plans established under the
3 teachers' retirement system.

4 * Sec. 4. AS 14.25.350(d) is amended to read:

5 (d) An employer shall also make contributions to the health reimbursement
6 arrangement plan under AS 39.30.370 [AS 39.30.300].

7 * Sec. 5. AS 39.35.100 is repealed and reenacted to read:

8 **Sec. 39.35.100. Accounting.** (a) The commissioner shall establish and
9 maintain an adequate system of accounts and records for the plan. The accounts and
10 records shall be integrated with the accounts, records, and procedures of the employers
11 to the end that they operate most effectively and at minimum expense, and that
12 duplication of records and accounts is avoided.

13 (b) An individual account shall be maintained for each employee to record the
14 amount of the employee's mandatory contributions collected under AS 39.35.160(a).
15 As of the last day of each calendar year and of each fiscal year, this account shall be
16 credited with interest by applying the prescribed rate of interest, as determined by the
17 board, to the balance in the account as of that date. When the employee is appointed to
18 retirement, the amount held in the individual account shall be used first to fully
19 finance the benefits paid. Once this account has been exhausted, the plan shall fully
20 finance the benefits paid that were not financed by the employee's individual account.

21 (c) An individual account shall be maintained for each employee to record the
22 amount of the employee's voluntary contributions to an employee savings account
23 under AS 39.35.180. As of the last day of each calendar year and of each fiscal year,
24 this account shall be credited with interest by applying the prescribed rate of interest,
25 as determined by the board, to the balance in the account as of that date. Amounts that,
26 before termination of employment, are withdrawn by an employee from the
27 employee's savings account shall be charged to that account. When an employee is
28 appointed to retirement, the amount held in the employee's savings account shall be
29 paid in accordance with AS 39.35.395.

30 * Sec. 6. AS 39.35.115 is amended by adding new subsections to read:

31 (d) The retirement plan set out in AS 39.35.095 - 39.35.680 is a joint

1 contributory plan.

2 (e) If, upon termination of the plan, all liabilities of the plan have been
3 satisfied, any excess assets revert to the employers, as determined by the
4 administrator, subject to the approval of the termination by the Internal Revenue
5 Service.

6 * Sec. 7. AS 39.35.125(a) is amended to read:

7 (a) An elected official of the state or of a political subdivision of the state if
8 the political subdivision has elected under AS 39.35.600 - 39.35.650 [AS 39.35.550 -
9 39.35.650] to designate elected officials in the classifications of employees entitled to
10 participate in the plan is included in the plan unless the official files a written waiver
11 of coverage with the administrator. A waiver under this subsection waives coverage of
12 future employment as an elected official, regardless of any change of employer. An
13 elected official may file a waiver under this subsection at any time after election to
14 office, including the period before taking the oath of office. An elected official may
15 revoke a waiver under this subsection by filing a written revocation with the
16 administrator. A revocation under this subsection operates prospectively only, and the
17 elected official may not receive credited service for service as an elected official while
18 the waiver was in effect. There is no limit on the number of times an elected official
19 may file a waiver or revocation under this subsection.

20 * Sec. 8. AS 39.35.160(c) is amended to read:

21 (c) An employee who has made an election under AS 39.35.300(e) or
22 39.35.310(c) to have the employee's years of service as a noncertificated employee of
23 a state boarding school, of a school district or regional educational attendance area, of
24 the special education service agency, or of the Alaska Vocational Technical Center
25 determined by reference to AS 14.25.220 shall pay a contribution surcharge for that
26 service. The amount of the surcharge is the difference between the amount the
27 employer would have had to contribute under AS 39.35.255 - 39.35.290
28 [AS 39.35.250 - 39.35.290] for the employee when treating the employee's credited
29 service as service earned under AS 39.35.300(e) or 39.35.310(c) less the amount the
30 employer would have had to contribute under AS 39.35.255 - 39.35.290
31 [AS 39.35.250 - 39.35.290] without treating the employee's credited service as service

1 earned under AS 39.35.300(c) or 39.35.310(c).

2 * **Sec. 9.** AS 39.35 is amended by adding a new section to read:

3 **Sec. 39.35.255. Contributions by employers.** (a) Each employer shall
4 contribute to the system every payroll period an amount calculated by applying a rate
5 of 22 percent of the greater of the total of all base salaries

6 (1) paid by the employer to employees who are active members of the
7 system, including any adjustments to contributions required by AS 39.35.520; or

8 (2) paid by the employer to employees who were active members of
9 the system during the corresponding payroll period for the fiscal year ending June 30,
10 2007.

11 (b) The administrator shall allocate contributions received for full payment of

12 (1) the actuarially determined employer normal cost for the plan; and

13 (2) all contributions required by AS 39.30.370 and AS 39.35.750 for
14 the fiscal year.

15 (c) If, after allocation of contributions under (b) of this section, a portion of
16 the employer contributions remains, the administrator shall apply that remaining
17 portion toward payment of the past service liability of the plan.

18 (d) Notwithstanding (a) of this section, the annual employer contribution rate
19 may not be less than the rate sufficient to allow payment of the employer normal cost
20 and the employer contributions required under AS 39.30.370 and AS 39.35.750.

21 (e) An employer of a retired member rehired under AS 39.35.150 shall include
22 that member's base salary when calculating the contribution amount established in (a)
23 of this section.

24 (f) In this section, "normal cost" means the cost of providing the benefits
25 expected to be credited, with respect to - - vice, to all active members of the plan
26 during the year beginning after the last valuation date.

27 * **Sec. 10.** AS 39.35.280 is repealed and reenacted to read:

28 **Sec. 39.35.280. Additional state contributions.** In addition to the
29 contributions that the state is required to make under AS 39.35.255 as an employer,
30 the state shall contribute to the plan each July 1 or, if funds are not available on July 1,
31 as soon after July 1 as funds become available, an amount for the ensuing fiscal year

1 that, when combined with the total employer contributions that the administrator
 2 estimates will be allocated under AS 39.35.255(c), is sufficient to pay the plan's past
 3 service liability at the contribution rate adopted by the board under AS 37.10.220 for
 4 that fiscal year.

5 * Sec. 11. AS 39.35.520(a) is amended to read:

6 (a) When a change or error is made in the records maintained by the plan or in
 7 the contributions made on behalf of an employee or an error is made in computing a
 8 benefit, and, as a result, an employee or beneficiary is entitled to receive from the plan
 9 more or less than the employee would have been entitled to receive had the records or
 10 contributions been correct or had the error not been made, (1) the records,
 11 contributions, or error shall be corrected, and (2) as far as practicable, future payments
 12 or benefit entitlement shall be adjusted so that the actuarial equivalent of the pension
 13 or benefit to which the employee or beneficiary was correctly entitled shall be paid.
 14 An adjustment to contributions shall be picked up by the employer under
 15 AS 39.35.160 or treated as an adjustment to the employer's contributions under
 16 AS 39.35.255 [AS 39.35.270], depending upon the nature of the adjustment. If no
 17 future payment is due, a person who was paid any amount to which the person was not
 18 entitled is liable for repayment of that amount, and a person who was not paid the full
 19 amount to which the person was entitled shall be paid the balance of that amount.

20 * Sec. 12. AS 39.35.610 is amended by adding a new subsection to read:

21 (b) If contributions are not submitted within the prescribed time limit, the
 22 amount of contributions and interest due may be claimed by the administrator from
 23 any agency of the state or political subdivision that has in its possession funds of the
 24 employer or that is authorized to disburse funds to the employer that are not restricted
 25 by statute or appropriation to a specific purpose. The amount claimed shall be certified
 26 by the administrator as sufficient to pay the contributions and interest due from the
 27 employer, and the agency shall submit the amount claimed, or the amount of funds of
 28 the employer subject to the administrator's claim that are in the agency's possession,
 29 whichever is less, to the administrator for deposit in the appropriate accounts. After
 30 the agency submits this amount to the administrator, the employer may appeal the
 31 administrator's claim to the office of administrative hearings (AS 44.64). If an appeal

1 is timely filed, the administrator shall hold the submitted funds in an escrow account
2 pending a final decision on the appeal.

3 * Sec. 13. AS 39.35.615(a) is amended to read:

4 (a) A political subdivision or public organization may request that its
5 participation agreement be amended. The request may be made only after adoption of
6 a resolution by the legislative body of the political subdivision and approval of the
7 resolution by the person required by law to approve the resolution, or, in the case of a
8 public organization, after adoption of a resolution by the governing body of that public
9 organization. A certified copy of the resolution shall be filed with the administrator.
10 An employer may not award past service to employees added to its participation
11 agreement. When an employer requests to amend its participation agreement to
12 add an elected official, the plan may cover that elected official only if the
13 employer pays compensation to the elected official, for services as an elected
14 official, in the amount of at least \$2,001 a month. If a political subdivision or public
15 organization amends its participation agreement so as to terminate coverage of a
16 department, group, or other classification of employees, each employee whose
17 coverage is so terminated, regardless of the employee's employment status at the date
18 of termination, shall be considered fully vested in actuarially adjusted accrued
19 retirement benefits as of the date of termination, unless

20 (1) the employee's contributions have been refunded; or

21 (2) the political subdivision or public organization amended its
22 participation agreement to exclude coverage for the affected department, group, or
23 other classification of employees at the written request of a majority of the employees
24 employed in that department, group, or other classification at the time the request was
25 made.

26 * Sec. 14. AS 39.35.615(f) is amended to read:

27 (f) Termination of coverage of a department, group, or other classification of
28 employees does not bar future coverage of that department, group, or classification if
29 the employer is current with payments on amounts due under AS 39.35.625. If
30 coverage of a department, group, or classification is terminated under (a) of this
31 section and the employer later amends its participation agreement to provide renewed

1 coverage of that department, group, or classification, an affected employee may be
2 credited only with future service.

3 * **Sec. 15.** AS 39.35.620(h) is amended to read:

4 (h) Termination of an employer's participation in the plan does not bar future
5 participation in the system [PLAN] by that employer if the employer is current with
6 payments on amounts due under AS 39.35.625. If a previously terminated employer
7 returns to the system, the employer may only participate in the plan established
8 under AS 39.35.700 - 39.35.990. Employees [PLAN EMPLOYEES] may be credited
9 under AS 39.35.700 - 39.35.990 only with service subsequent to the date of return.
10 [ADJUSTMENTS MADE TO THE ACCRUED BENEFITS OF THE EMPLOYEES
11 OF THE PREVIOUSLY TERMINATED EMPLOYER AT THE TIME OF THE
12 TERMINATION MAY NOT BE ALTERED BY THAT EMPLOYER'S RETURN
13 TO PARTICIPATION IN THE PLAN.]

14 * **Sec. 16.** AS 39.35 is amended by adding a new section to read:

15 **Sec. 39.35.625. Termination costs.** (a) Notwithstanding AS 39.35.255, an
16 employer that terminates participation of a department, group, or other classification
17 of employees in the plan under AS 39.35.615 or that terminates participation in the
18 plan under AS 39.35.620 shall pay to the plan each payroll period until the past service
19 liability of the plan is extinguished an amount calculated by applying the current past
20 service contribution rate adopted by the board to the greater of total base salaries paid

21 (1) during the payroll period to employees in positions for which
22 coverage has been terminated;

23 (2) at the time of termination to employees in positions for which
24 coverage has been terminated; or

25 (3) during the corresponding payroll period for the fiscal year ending
26 June 30, 2007, to employees in positions for which coverage has been terminated.

27 (b) Notwithstanding (a) of this section, the administrator may enter into a
28 payment plan acceptable to the administrator for payment of an employer's liability for
29 termination costs. Termination costs not paid as prescribed by (a) of this section or in
30 accordance with an approved payment plan may be collected by the administrator in
31 accordance with AS 39.35.610(b).

1 (c) An employer requesting termination of all participation in the plan,
2 termination of participation in the plan of a department, group, or other classification
3 of employees, or a payment plan for payment of termination costs shall pay the cost
4 associated with obtaining a termination cost study associated with the employer's
5 termination.

6 * Sec. 17. AS 39.35.650 is amended to read:

7 Sec. 39.35.650. Refunds to employers. An employer may not receive an
8 amount from the plan, except as provided under AS 39.35.115(e) [AS 39.35.615(e)
9 AND 39.35.620(g)].

10 * Sec. 18. AS 39.35.680 is amended by adding a new paragraph to read:

11 (43) "past service liability" means the actuarially determined excess of
12 the accrued liability of the plan over the value of the plan's assets, as of the date of the
13 last actuarial valuation.

14 * Sec. 19. AS 39.35.750(d) is amended to read:

15 (d) An employer shall also make contributions to the health reimbursement
16 arrangement plan under AS 39.30.370 [AS 39.30.300].

17 * Sec. 20. AS 39.35.250, 39.35.260, 39.35.270, 39.35.550, 39.35.560, 39.35.570, 39.35.580,
18 39.35.590, 39.35.615(d), 39.35.615(e), 39.35.620(c), 39.35.620(f), and 39.35.620(g) are
19 repealed.

20 * Sec. 21. The uncodified law of the State of Alaska is amended by adding a new section to
21 read:

22 TRANSITION. (a) Notwithstanding AS 39.35.255, as enacted by sec. 9 of this Act,
23 the employer contributions under AS 39.35.255(a) for the fiscal year ending June 30, 2008,
24 shall be calculated separately for certain employers by applying an independent percentage to
25 the annual total of base salaries paid by the employer to employees who are active members
26 of the public employees' retirement system and to employees who are retired members who
27 are rehired under AS 39.35.150. The employers subject to this separate calculation and the
28 independent percentages that apply to each are

- 29 (1) the City of Akutan, 13.32 percent;
30 (2) the Aleutian Housing Authority, 14.95 percent;
31 (3) the Aleutian Region School District, 13.32 percent;

- 1 (4) the Aleutians East Borough, 3.24 percent;
- 2 (5) the City of Allakaket, 14.48 percent;
- 3 (6) the Municipality of Anchorage; 21.51 percent;
- 4 (7) the City of Anderson, 13.32 percent;
- 5 (8) the Annette Islands School District, 13.32 percent;
- 6 (9) the Baranof Island Housing Authority, 13.32 percent;
- 7 (10) the City of Barrow, 13.47 percent;
- 8 (11) the Bartlett Regional Hospital, 17.20 percent;
- 9 (12) the Bering Straits Regional Housing Authority, 14.77 percent;
- 10 (13) the City of Bethel, 10.33 percent;
- 11 (14) the Bristol Bay Borough, 17.95 percent;
- 12 (15) the Bristol Bay Housing Authority, 15.06 percent;
- 13 (16) the Cook Inlet Housing Authority, 15.06 percent;
- 14 (17) the Copper River Basin Regional Housing Authority, 14.76 percent;
- 15 (18) the City of Cordova, 12.85 percent;
- 16 (19) the City of Delta Junction, 13.31 percent;
- 17 (20) the Denali Borough, 3.07 percent;
- 18 (21) the City of Egegik, 15.84 percent;
- 19 (22) the City of Fort Yukon, 13.32 percent;
- 20 (23) the City of Galena, 9.64 percent;
- 21 (24) the City of Hooper Bay, 13.32 percent;
- 22 (25) the City of Huslia, 17.68 percent;
- 23 (26) the Ilisagvik College, 13.90 percent;
- 24 (27) the Interior Regional Housing Authority, 14.23 percent;
- 25 (28) the Inter-Island Ferry Authority, 13.36 percent;
- 26 (29) the City of Kachemak, 4.92 percent;
- 27 (30) the Kenai Peninsula Borough, 17.11 percent;
- 28 (31) the Ketchikan Gateway Borough, 13.04 percent;
- 29 (32) the City of Ketchikan, 12.03 percent;
- 30 (33) the City of Klawock, 9.59 percent;
- 31 (34) the Kodiak Island Borough, 4.55 percent;

- 1 (35) the City of Kodiak, 14.88 percent;
- 2 (36) the City of Kotzebue, 13.32 percent;
- 3 (37) the City of Koyuk, 14.48 percent;
- 4 (38) the Lake and Peninsula Borough, 9.25 percent;
- 5 (39) the City of Mckoryuk, 13.32 percent;
- 6 (40) the City of Mountain Village, 13.32 percent;
- 7 (41) the Nenana City School District, 17.79 percent;
- 8 (42) the City of Noorvik, 13.45 percent;
- 9 (43) the North Pacific Rim Housing Authority, 14.70 percent;
- 10 (44) the City of North Pole, 15.55 percent;
- 11 (45) the Northwest Arctic Borough, 14.19 percent;
- 12 (46) the Northwest Arctic Borough School District, 15.00 percent;
- 13 (47) the Northwest Inupiat Housing Authority, 15.17 percent;
- 14 (48) the City of Palmer, 13.33 percent;
- 15 (49) the Pelican City School District, 13.32 percent;
- 16 (50) the City of Petersburg, 12.20 percent;
- 17 (51) the Petersburg Medical Center, 15.89 percent;
- 18 (52) the City of Quinhagak, 1.15 percent;
- 19 (53) the Saint Mary's School District, 13.32 percent;
- 20 (54) the City of Saxman, 17.53 percent;
- 21 (55) the City of Seldovia, 16.64 percent;
- 22 (56) the City of Seward, 12.66 percent;
- 23 (57) the Skagway City School District, 16.44 percent;
- 24 (58) the City of Soldotna, 13.04 percent;
- 25 (59) the Tagiugmiullu Nunamiullu Housing Authority, 13.32 percent;
- 26 (60) the City of Tanana, 1.60 percent;
- 27 (61) the Tanana School District, 16.59 percent;
- 28 (62) the Tlingit-Haida Regional Housing Authority, 18.39 percent;
- 29 (63) the City of Unalakleet, 9.94 percent;
- 30 (64) the City of Upper Kalskag, 14.48 percent;
- 31 (65) the City of Valdez, 17.15 percent;

- 1 (66) the City of Whittier, 15.00 percent;
- 2 (67) the City and Borough of Yakutat, 18.94 percent;
- 3 (68) the Yakutat School District, 15.49 percent;
- 4 (69) the Yukon/Koyukuk School District, 13.70 percent;
- 5 (70) the Yukon Flats School District, 13.32 percent;
- 6 (71) the Yupiit School District, 14.52 percent.

7 (b) Notwithstanding AS 39.35.255, as enacted by sec. 9 of this Act, the employer
8 contributions under AS 39.35.255(a) for the fiscal years ending June 30, 2009, June 30, 2010,
9 June 30, 2011, and June 30, 2012, shall be calculated separately for certain employers by
10 applying an independent percentage to the annual total of base salaries paid by the employer
11 to employees who are active members of the public employees' retirement system and to
12 employees who are retired members who are rehired under AS 39.35.150. The employers
13 subject to this separate calculation and the independent percentages that apply to each are

- 14 (1) the City of Akutan, 13.32 percent;
- 15 (2) the Aleutian Housing Authority, 14.95 percent;
- 16 (3) the Aleutian Region School District, 13.32 percent;
- 17 (4) the Aleutians East Borough, 15.23 percent;
- 18 (5) the City of Allakaket, 14.48 percent;
- 19 (6) the City of Anderson, 13.32 percent;
- 20 (7) the Annette Islands School District, 13.32 percent;
- 21 (8) the Baranof Island Housing Authority, 13.32 percent;
- 22 (9) the City of Barrow, 17.26 percent;
- 23 (10) the Bartlett Regional Hospital, 17.20 percent;
- 24 (11) the Bering Straits Regional Housing Authority, 14.77 percent;
- 25 (12) the City of Bethel, 15.08 percent;
- 26 (13) the Bristol Bay Regional Housing Authority, 15.06 percent;
- 27 (14) the Cook Inlet Housing Authority, 15.06 percent;
- 28 (15) the Copper River Basin Regional Housing Authority, 14.76 percent;
- 29 (16) the City of Delta Junction, 14.47 percent;
- 30 (17) the City of Fort Yukon, 13.32 percent;
- 31 (18) the City of Galena, 13.40 percent;

- 1 (19) the City of Hooper Bay, 13.32 percent;
- 2 (20) the Ilisagvik College, 13.90 percent;
- 3 (21) the Interior Regional Housing Authority, 14.23 percent;
- 4 (22) the Inter-Island Ferry Authority, 13.36 percent;
- 5 (23) the City of Klawock, 14.35 percent;
- 6 (24) the City of Kotzebue, 13.32 percent;
- 7 (25) the City of Koyuk, 14.48 percent;
- 8 (26) the City of Mekoryuk, 13.32 percent;
- 9 (27) the City of Mountain Village, 13.32 percent;
- 10 (28) the Nenana City School District, 17.79 percent;
- 11 (29) the City of Noorvik, 13.45 percent;
- 12 (30) the North Pacific Rim Housing Authority, 14.70 percent;
- 13 (31) the Northwest Arctic Borough, 14.19 percent;
- 14 (32) the Northwest Arctic Borough School District, 15.00 percent;
- 15 (33) the Northwest Inupiat Housing Authority, 15.17 percent;
- 16 (34) the Pelican City School District, 13.32 percent;
- 17 (35) the Petersburg Medical Center, 15.89 percent;
- 18 (36) the City of Quinhagak, 13.32 percent;
- 19 (37) the Saint Mary's City School District, 13.32 percent;
- 20 (38) the City of Seldovia, 16.64 percent;
- 21 (39) the Skagway City School District, 16.44 percent;
- 22 (40) the City of Soldotna, 13.04 percent;
- 23 (41) the Tagiugmiullu Nunamiullu Housing Authority, 13.32 percent;
- 24 (42) the City of Tanana, 13.32 percent;
- 25 (43) the Tanana School District, 16.59 percent;
- 26 (44) the Tlingit-Haida Regional Housing Authority, 18.39 percent;
- 27 (45) the City of Upper Kalskag, 14.48 percent;
- 28 (46) the City of Whittier, 15.00 percent;
- 29 (47) the Yakutat School District, 15.49 percent;
- 30 (48) the Yukon/Koyukuk School District, 13.70 percent;
- 31 (49) the Yukon Flats School District, 13.32 percent;

1 (50) the Yupiit School District, 14.52 percent.

2 * Sec. 22. The uncodified law of the State of Alaska is amended by adding a new section to
3 read:

4 TRANSITION: REGULATIONS. The Department of Administration and the
5 Department of Revenue may proceed to adopt regulations to implement their respective
6 provisions of this Act.

7 * Sec. 23. Sections 21 and 22 of this Act take effect immediately under AS 01.10.070(e).

8 * Sec. 24. Except as provided in sec. 23 of this Act, this Act takes effect July 1, 2007.

25-GS1074AK
Wayne
4/28/07

CS FOR SENATE BILL NO. 125()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the accounting and payment of contributions under the defined
2 benefit plans of the Public Employees' Retirement System of Alaska and the Teachers'
3 Retirement System, to calculations of contribution under those defined benefit plans,
4 and to participation in, and termination of and amendments to participation in, those
5 defined benefit plans; making conforming amendments; and providing for an effective
6 date."

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 * Section 1. AS 14.25.070 is repealed and reenacted to read:

9 **Sec. 14.25.070. Contributions by employers.** (a) Each employer shall
10 contribute to the system every payroll period an amount calculated by applying a rate
11 of 12.56 percent to the total of all base salaries paid by the employer to active
12 members of the system, including any adjustments to contributions required by
13 AS 14.25.173(a).

1 (b) The employer shall transmit the contributions calculated in (a) of this
2 section to the administrator in accordance with AS 14.25.065. The administrator shall
3 allocate contributions received for full payment of

4 (1) the actuarially determined employer normal cost for the plan; and

5 (2) all contributions required by AS 14.25.350 for the fiscal year.

6 (c) If, after allocation of contributions under (b) of this section, a portion of
7 the employer contribution^c remains, the administrator shall apply that remaining
8 portion toward payment of the past service liability of the plan.

9 (d) Notwithstanding (a) of this section, the annual employer contribution rate
10 may not be less than the rate sufficient to allow payment of the employer normal cost
11 rate and the employer contributions required under AS 14.25.350.

12 (e) An employer of a retired member rehired under AS 14.20.135 shall include
13 that member's base salary when calculating the contribution amount established in (a)
14 of this section.

15 (f) In this section,

16 (1) "employer normal cost rate" means the percentage of compensation
17 of all active members in the plan that, when combined with the member contribution
18 rate of active members in the plan, is sufficient to pay the actuarially calculated
19 normal cost; this percentage is uniformly determined for all employers and is
20 applicable to each employer;

21 (2) "normal cost" means the cost of providing the benefits expected to
22 be credited, with respect to service, to all active members of the plan during the year
23 beginning after the last valuation date.

24 * Sec. 2. AS 14.25 is amended by adding a new section to read:

25 **Sec. 14.25.085. Additional state contributions.** In addition to the
26 contributions that the state is required to make under AS 14.25.070 as an employer,
27 the state shall contribute to the plan each July 1 or, if funds are not available on July 1,
28 as soon after July 1 as funds become available, an amount for the ensuing fiscal year
29 that, when combined with the total employer contributions that the administrator
30 estimates will be allocated under AS 14.25.070(e), is sufficient to pay the plan's past
31 service liability at the contribution rate adopted by the board under AS 37.10.220 for

1 that fiscal year.

2 * Sec. 3. AS 14.25.220 is amended by adding new paragraphs to read:

3 (46) "past service liability" means the actuarially determined excess of
4 the accrued liability of the plan over the value of the plan's assets, as of the date of the
5 last actuarial valuation;

6 (47) "system" means all retirement plans established under the
7 teachers' retirement system.

8 * Sec. 4. AS 39.35.100 is repealed and reenacted to read:

9 **Sec. 39.35.100. Accounting.** (a) The commissioner shall establish and
10 maintain an adequate system of accounts and records for the plan. The accounts and
11 records shall be integrated with the accounts, records, and procedures of the employers
12 to the end that they operate most effectively and at minimum expense, and that
13 duplication of records and accounts is avoided.

14 (b) An individual account shall be maintained for each employee to record the
15 amount of the employee's mandatory contributions collected under AS 39.35.160(a).
16 As of the last day of each calendar year and of each fiscal year, this account shall be
17 credited with interest by applying the prescribed rate of interest, as determined by the
18 board, to the balance in the account as of that date. When the employee is appointed to
19 retirement, the amount held in the individual account shall be used first to fully
20 finance the benefits paid. Once this account has been exhausted, the plan shall fully
21 finance the benefits paid that were not financed by the employee's individual account.

22 (c) An individual account shall be maintained for each employee to record the
23 amount of the employee's voluntary contributions to an employee savings account
24 under AS 39.35.180. As of the last day of each calendar year and of each fiscal year,
25 this account shall be credited with interest by applying the prescribed rate of interest,
26 as determined by the board, to the balance in the account as of that date. Amounts that,
27 before termination of employment, are withdrawn by an employee from the
28 employee's savings account shall be charged to that account. When an employee is
29 appointed to retirement, the amount held in the employee's savings account shall be
30 paid in accordance with AS 39.35.395.

31 * Sec. 5. AS 39.35.115 is amended by adding new subsections to read:

1 (d) The retirement plan set out in AS 39.35.095 - 39.35.680 is a joint
2 contributory plan.

3 (e) If, upon termination of the plan, all liabilities of the plan have been
4 satisfied, any excess assets revert to the employers, as determined by the
5 administrator, subject to the approval of the termination by the Internal Revenue
6 Service.

7 * **Sec. 6.** AS 39.35.125(a) is amended to read:

8 (a) An elected official of the state or of a political subdivision of the state if
9 the political subdivision has elected under AS 39.35.600 - 39.35.650 [AS 39.35.550 -
10 39.35.650] to designate elected officials in the classifications of employees entitled to
11 participate in the plan is included in the plan unless the official files a written waiver
12 of coverage with the administrator. A waiver under this subsection waives coverage of
13 future employment as an elected official, regardless of any change of employer. An
14 elected official may file a waiver under this subsection at any time after election to
15 office, including the period before taking the oath of office. An elected official may
16 revoke a waiver under this subsection by filing a written revocation with the
17 administrator. A revocation under this subsection operates prospectively only, and the
18 elected official may not receive credited service for service as an elected official while
19 the waiver was in effect. There is no limit on the number of times an elected official
20 may file a waiver or revocation under this subsection.

21 * **Sec. 7.** AS 39.35.160(c) is amended to read:

22 (c) An employee who has made an election under AS 39.35.300(c) or
23 39.35.310(c) to have the employee's years of service as a noncertificated employee of
24 a state boarding school, of a school district or regional educational attendance area, of
25 the special education service agency, or of the Alaska Vocational Technical Center
26 determined by reference to AS 14.25.220 shall pay a contribution surcharge for that
27 service. The amount of the surcharge is the difference between the amount the
28 employer would have had to contribute under AS 39.35.255 - 39.35.290
29 [AS 39.35.250 - 39.35.290] for the employee when treating the employee's credited
30 service as service earned under AS 39.35.300(c) or 39.35.310(c) less the amount the
31 employer would have had to contribute under AS 39.35.255 - 39.35.290

1 [AS 39.35.250 - 39.35.290] without treating the employee's credited service as service
2 earned under AS 39.35.300(c) or 39.35.310(c).

3 * Sec. 8. AS 39.35 is amended by adding a new section to read:

4 **Sec. 39.35.255. Contributions by employers.** (a) Each employer shall
5 contribute to the system every payroll period an amount calculated by applying a rate
6 of 22 percent of the greater of the total of all base salaries

7 (1) paid by the employer to employees who are active members of the
8 system, including any adjustments to contributions required by AS 39.35.520; or

9 (2) paid by the employer to employees who were active members of
10 the system during the corresponding payroll period for the fiscal year ending June 30,
11 2007.

12 (b) The administrator shall allocate contributions received for full payment of

13 (1) the actuarially determined employer normal cost for the plan; and

14 (2) all contributions required by AS 39.35.750 for the fiscal year.

15 (c) If, after allocation of contributions under (b) of this section, a portion of
16 the employer contributions remains, the administrator shall apply that remaining
17 portion toward payment of the past service liability of the plan.

18 (d) Notwithstanding (a) of this section, the annual employer contribution rate
19 may not be less than the rate sufficient to allow payment of the employer normal cost
20 rate and the employer contributions required under AS 39.35.750.

21 (e) An employer of a retired member rehired under AS 39.35.150 shall include
22 that member's base salary when calculating the contribution amount established in (a)
23 of this section.

24 (f) In this section,

25 (1) "employer normal cost rate" means the percentage of compensation
26 of all active members in the plan that, when combined with the member contribution
27 rate of active members in the plan, is sufficient to pay the actuarially calculated
28 normal cost; this percentage is uniformly determined for all employers and is
29 applicable to each employer;

30 (2) "normal cost" means the cost of providing the benefits expected to
31 be credited, with respect to service, to all active members of the plan during the year

1 beginning after the last valuation date.

2 * **Sec. 9.** AS 39.35.280 is repealed and reenacted to read:

3 **Sec. 39.35.280. Additional state contributions.** In addition to the
4 contributions that the state is required to make under AS 39.35.255 as an employer,
5 the state shall contribute to the plan each July 1 or, if funds are not available on July 1,
6 as soon after July 1 as funds become available, an amount for the ensuing fiscal year
7 that, when combined with the total employer contributions that the administrator
8 estimates will be allocated under AS 39.35.255(c), is sufficient to pay the plan's past
9 service liability at the contribution rate adopted by the board under AS 37.10.220 for
10 that fiscal year.

11 * **Sec. 10.** AS 39.35.520(a) is amended to read:

12 (a) When a change or error is made in the records maintained by the plan or in
13 the contributions made on behalf of an employee or an error is made in computing a
14 benefit, and, as a result, an employee or beneficiary is entitled to receive from the plan
15 more or less than the employee would have been entitled to receive had the records or
16 contributions been correct or had the error not been made, (1) the records,
17 contributions, or error shall be corrected, and (2) as far as practicable, future payments
18 or benefit entitlement shall be adjusted so that the actuarial equivalent of the pension
19 or benefit to which the employee or beneficiary was correctly entitled shall be paid.
20 An adjustment to contributions shall be picked up by the employer under
21 AS 39.35.160 or treated as an adjustment to the employer's contributions under
22 AS 39.35.255 [AS 39.35.270], depending upon the nature of the adjustment. If no
23 future payment is due, a person who was paid any amount to which the person was not
24 entitled is liable for repayment of that amount, and a person who was not paid the full
25 amount to which the person was entitled shall be paid the balance of that amount.

26 * **Sec. 11.** AS 39.35.610 is amended by adding a new subsection to read:

27 (b) If contributions are not submitted within the prescribed time limit, the
28 amount of contributions and interest due may be claimed by the administrator from
29 any agency of the state or political subdivision that has in its possession funds of the
30 employer or that is authorized to disburse funds to the employer that are not restricted
31 by statute or appropriation to a specific purpose. The amount claimed shall be certified

1 by the administrator as sufficient to pay the contributions and interest due from the
2 employer, and the agency shall submit the amount claimed, or the amount of funds of
3 the employer subject to the administrator's claim that are in the agency's possession,
4 whichever is less, to the administrator for deposit in the appropriate accounts. After
5 the agency submits this amount to the administrator, the employer may appeal the
6 administrator's claim to the office of administrative hearings (AS 44.64). If an appeal
7 is timely filed, the administrator shall hold the submitted funds in an escrow account
8 pending a final decision on the appeal.

9 * Sec. 12. AS 39.35.615(a) is amended to read:

10 (a) A political subdivision or public organization may request that its
11 participation agreement be amended. The request may be made only after adoption of
12 a resolution by the legislative body of the political subdivision and approval of the
13 resolution by the person required by law to approve the resolution, or, in the case of a
14 public organization, after adoption of a resolution by the governing body of that public
15 organization. A certified copy of the resolution shall be filed with the administrator.
16 An employer may not award past service to employees added to its participation
17 agreement. When an employer requests to amend its participation agreement to
18 add an elected official, the plan may cover that elected official only if the
19 employer pays compensation to the elected official, for services as an elected
20 official, in the amount of at least \$2,001 a month. If a political subdivision or public
21 organization amends its participation agreement so as to terminate coverage of a
22 department, group, or other classification of employees, each employee whose
23 coverage is so terminated, regardless of the employee's employment status at the date
24 of termination, shall be considered fully vested in actuarially adjusted accrued
25 retirement benefits as of the date of termination, unless

26 (1) the employee's contributions have been refunded; or

27 (2) the political subdivision or public organization amended its
28 participation agreement to exclude coverage for the affected department, group, or
29 other classification of employees at the written request of a majority of the employees
30 employed in that department, group, or other classification at the time the request was
31 made.

1 * Sec. 13. AS 39.35.615(f) is amended to read:

2 (f) Termination of coverage of a department, group, or other classification of
3 employees does not bar future coverage of that department, group, or classification if
4 the employer is current with payments on amounts due under AS 39.35.625. If
5 coverage of a department, group, or classification is terminated under (a) of this
6 section and the employer later amends its participation agreement to provide renewed
7 coverage of that department, group, or classification, an affected employee may be
8 credited only with future service.

9 * Sec. 14. AS 39.35.620(h) is amended to read:

10 (h) Termination of an employer's participation in the plan does not bar future
11 participation in the system [PLAN] by that employer if the employer is current with
12 payments on amounts due under AS 39.35.625. If a previously terminated employer
13 returns to the system, the employer may only participate in the plan established
14 under AS 39.35.700 - 39.35.990. Employees [PLAN EMPLOYEES] may be credited
15 under AS 39.35.700 - 39.35.990 only with service subsequent to the date of return.
16 [ADJUSTMENTS MADE TO THE ACCRUED BENEFITS OF THE EMPLOYEES
17 OF THE PREVIOUSLY TERMINATED EMPLOYER AT THE TIME OF THE
18 TERMINATION MAY NOT BE ALTERED BY THAT EMPLOYER'S RETURN
19 TO PARTICIPATION IN THE PLAN.]

20 * Sec. 15. AS 39.35 is amended by adding a new section to read:

21 Sec. AS 39.35.625. Termination costs. (a) Notwithstanding AS 39.35.255, an
22 employer that terminates participation of a department, group, or other classification
23 of employees in the plan under AS 39.35.615 or that terminates participation in the
24 plan under AS 39.35.620 shall pay to the plan each payroll period until the accrued
25 unfunded liability of the plan is extinguished an amount calculated by applying the
26 current past service contribution rate adopted by the board to the greater of

27 (1) total base salaries paid during the payroll period to employees in
28 positions for which coverage has been terminated;

29 (2) total base salaries paid at the time of termination to employees in
30 positions for which coverage has been terminated; or

31 (3) total base salaries paid during the corresponding payroll period for

1 the fiscal year ending June 30, 2007, to employees in positions for which coverage has
2 been terminated.

3 (b) Notwithstanding (a) of this section, the administrator may enter into a
4 payment plan acceptable to the administrator for payment of an employer's liability for
5 termination costs. Termination costs not paid as prescribed by (a) of this section or in
6 accordance with an approved payment plan may be collected by the administrator in
7 accordance with AS 39.35.610(b).

8 (c) An employer requesting termination of all participation in the plan,
9 termination of participation in the plan of a department, group, or other classification
10 of employees, or a payment plan for payment of termination costs shall pay the cost
11 associated with obtaining a termination cost study associated with the employer's
12 termination.

13 * **Sec. 16.** AS 39.35.650 is amended to read:

14 **Sec. 39.35.650. Refunds to employers.** An employer may not receive an
15 amount from the plan, except as provided under AS 39.35.115(e) [AS 39.35.615(e)
16 AND 39.35.620(g)].

17 * **Sec. 17.** AS 39.35.680 is amended by adding new paragraphs to read:

18 (43) "accrued unfunded liability" means the excess of actuarial accrued
19 liability over the actuarial value of the plan's assets, as of the date of the last actuarial
20 valuation;

21 (44) "past service liability" means the actuarially determined excess of
22 the accrued liability of the plan over the value of the plan's assets, as of the date of the
23 last actuarial valuation.

24 * **Sec. 18.** AS 39.35.250, 39.35.260, 39.35.270, 39.35.550, 39.35.560, 39.35.570, 39.35.580,
25 39.35.590, 39.35.615(d), 39.35.615(e), 39.35.620(c), 39.35.620(f), and 39.35.620(g) are
26 repealed.

27 * **Sec. 19.** The uncodified law of the State of Alaska is amended by adding a new section to
28 read:

29 **TRANSITION.** (a) Notwithstanding AS 39.35.255, as enacted by sec. 8 of this Act,
30 the employer contributions under AS 39.35.255(a) for the fiscal year ending June 30, 2008,
31 shall be calculated separately for certain employers by applying an independent percentage to

1 the annual total of base salaries paid by the employer to employees who are active members
2 of the public employees' retirement system and to employees who are retired members who
3 are rehired under AS 39.35.150. The employers subject to this separate calculation and the
4 independent percentages that apply to each are

- 5 (1) the City of Akutan, 13.32 percent;
- 6 (2) the Aleutians East Borough, 3.24 percent;
- 7 (3) the City of Allakaket, 14.48 percent;
- 8 (4) the Municipality of Anchorage; 21.51 percent;
- 9 (5) the City of Anderson, 13.32 percent;
- 10 (6) the City of Barrow, 13.47 percent;
- 11 (7) the City of Bethel, 10.33 percent;
- 12 (8) the Bristol Bay Borough, 17.95 percent;
- 13 (9) the City of Cordova, 12.85 percent;
- 14 (10) the City of Delta Junction, 13.31 percent;
- 15 (11) the Denali Borough, 3.07 percent;
- 16 (12) the City of Egegik, 15.84 percent;
- 17 (13) the City of Fort Yukon, 13.32 percent;
- 18 (14) the City of Galena, 9.64 percent;
- 19 (15) the City of Hooper Bay, 13.32 percent;
- 20 (16) the City of Huslia, 17.68 percent;
- 21 (17) the City of Kachemak, 4.92 percent;
- 22 (18) the Kenai Peninsula Borough, 17.11 percent;
- 23 (19) the Ketchikan Gateway Borough, 13.04 percent;
- 24 (20) the City of Ketchikan, 12.03 percent;
- 25 (21) the City of Klawock, 9.59 percent;
- 26 (22) the Kodiak Island Borough, 4.55 percent;
- 27 (23) the City of Kodiak, 14.88 percent;
- 28 (24) the City of Kotzebue, 13.32 percent;
- 29 (25) the City of Koyuk, 14.48 percent;
- 30 (26) the Lake and Peninsula Borough, 9.25 percent;
- 31 (27) the City of Mekoryuk, 13.32 percent;

- 1 (28) the City of Mountain Village, 13.32 percent;
- 2 (29) the City of Noorvik, 13.45 percent;
- 3 (30) the City of North Pole, 15.55 percent;
- 4 (31) the Northwest Arctic Borough, 14.19 percent;
- 5 (32) the City of Palmer, 13.33 percent;
- 6 (33) the City of Petersburg, 12.20 percent;
- 7 (34) the City of Quinhagak, 1.15 percent;
- 8 (35) the City of Saxman, 17.53 percent;
- 9 (36) the City of Seldovia, 16.64 percent;
- 10 (37) the City of Seward, 12.66 percent;
- 11 (38) the City of Soldotna, 13.04 percent;
- 12 (39) the City of Tanana, 1.60 percent;
- 13 (40) the City of Unalakleet, 9.94 percent;
- 14 (41) the City of Upper Kalskag, 14.48 percent;
- 15 (42) the City of Valdez, 17.15 percent;
- 16 (43) the City of Whittier, 15.00 percent;
- 17 (44) the City and Borough of Yakutat, 18.94 percent.

18 (b) Notwithstanding AS 39.35.255, as enacted by sec. 8 of this Act, the employer
19 contributions under AS 39.35.255(a) for the fiscal years ending June 30, 2009, June 30, 2010,
20 June 30, 2011, and June 30, 2012, shall be calculated separately for certain employers by
21 applying an independent percentage to the annual total of base salaries paid by the employer
22 to employees who are active members of the public employees' retirement system and to
23 employees who are retired members who are rehired under AS 39.35.150. The employers
24 subject to this separate calculation and the independent percentages that apply to each are

- 25 (1) the City of Akutan, 13.32 percent;
- 26 (2) the Aleutians East Borough, 15.23 percent;
- 27 (3) the City of Allakaket, 14.48 percent;
- 28 (4) the City of Anderson, 13.32 percent;
- 29 (5) the City of Barrow, 17.26 percent;
- 30 (6) the City of Bethel, 15.08 percent;
- 31 (7) the City of Delta Junction, 14.47 percent;

- 1 (8) the City of Fort Yukon, 13.32 percent;
- 2 (9) the City of Galena, 13.40 percent;
- 3 (10) the City of Hooper Bay, 13.32 percent;
- 4 (11) the City of Klawock, 14.35 percent;
- 5 (12) the City of Kotzebue, 13.32 percent;
- 6 (13) the City of Koyuk, 14.48 percent;
- 7 (14) the City of Mckoryuk, 13.32 percent;
- 8 (15) the City of Mountain Village, 13.32 percent;
- 9 (16) the City of Noorvik, 13.45 percent.
- 10 (17) the Northwest Arctic Borough, 14.19 percent;
- 11 (18) the City of Quinhagak, 13.32 percent;
- 12 (19) the City of Seldovia, 16.64 percent;
- 13 (20) the City of Soldotna, 13.04 percent;
- 14 (21) the City of Tanana, 13.32 percent;
- 15 (22) the City of Upper Kalskag, 14.48 percent;
- 16 (23) the City of Whittier, 15.00 percent.

17 * Sec. 20. The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 TRANSITION: REGULATIONS. The Department of Administration and the
20 Department of Revenue may proceed to adopt regulations to implement their respective
21 provisions of this Act.

22 * Sec. 21. Sections 19 and 20 of this Act take effect immediately under AS 01.10.070(c).

23 * Sec. 22. Except as provided in sec. 21 of this Act, this Act takes effect July 1, 2007.

ADOPTED

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25-GS1074E
Wayne
4/20/07

CS FOR SENATE BILL NO. 125()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Alaska Retirement Management Board, to the accounting and
2 payment of contributions under the defined benefit plans of the Public Employees'
3 Retirement System of Alaska and the Teachers' Retirement System, to calculations of
4 contributions under those defined benefit plans, and to participation in, and termination
5 of and amendments to participation in, those defined benefit plans; making conforming
6 amendments; and providing for an effective date."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 14.25.070 is repealed and reenacted to read:

9 Sec. 14.25.070. Contributions by employers. (a) Each employer shall
10 contribute to the system an amount calculated by applying a rate of 12.56 percent to
11 the annual total of all base salaries paid by the employer to employees who are active
12 members of the teachers' retirement system, including any adjustments to
13 contributions required by AS 14.25.173(a).

1 (b) The employer shall transmit the contributions calculated in (a) of this
2 section to the administrator in accordance with AS 14.25.065. The administrator shall
3 allocate contributions received for full payment of

4 (1) the annual employer normal cost rate, as adopted by the board, for
5 every active member of the defined benefit plan established in AS 14.25.009 -
6 14.25.220 who is an employee of the employer; and

7 (2) all contributions required by AS 14.25.350 for the fiscal year.

8 (c) If, after allocation of contributions under (b) of this section, a portion of
9 the employer's contribution remains, the administrator shall apply that remaining
10 portion toward payment of the accrued unfunded liability of the defined benefit
11 retirement plan established in AS 14.25.009 - 14.25.220.

12 (d) Notwithstanding (a) of this section, the annual employer contribution rate
13 may not be less than the rate required, after subtracting the member contribution rate,
14 to fully fund the actuarially calculated normal cost adopted by the board.

15 (e) An employer of a retired member retired under AS 14.20.135 shall include
16 that member's base salary when calculating the contribution amount established in (a)
17 of this section.

18 (f) In this section,

19 (1) "accrued unfunded liability" means the excess of actuarial accrued
20 liability over the actuarial value of the plan's assets, as of the date of the last actuarial
21 valuation;

22 (2) "employer normal cost rate" means the percentage of compensation
23 of all active members in the plan that, when combined with the member contribution
24 rate of active members in the plan, is sufficient to pay the actuarially calculated
25 normal cost; this percentage is uniformly determined for all employers and is
26 applicable to each employer;

27 (3) "normal cost" means the cost of providing the benefits expected to
28 be credited, with respect to service, to all active members of the plan during the year
29 beginning after the last valuation date.

30 * **Sec. 2.** AS 14.25 is amended by adding a new section to read:

31 **Sec. 14.25.085. Determination and payment of state contributions.** (a) The

1 state shall make the contributions required under AS 14.25.070 for each of its active
2 member employees.

3 (b) In addition to the contributions required under (a) of this section, the state
4 shall contribute to the teachers' retirement system each July 1 an amount for the
5 ensuing fiscal year that, when combined with the total employer contributions that the
6 administrator estimates will be collected under AS 14.25.070, is sufficient to pay the
7 system's past service liability at the contribution rate adopted by the board under
8 AS 37.10.220 for that fiscal year.

9 * Sec. 3. AS 14.25.220 is amended by adding a new paragraph to read:

10 (46) "system" means all retirement plans established under the
11 teachers' retirement system.

12 * Sec. 4. AS 37.10.220(a) is amended to read:

13 (a) The board shall

14 (1) hold regular and special meetings at the call of the chair or of at
15 least five members; meetings are open to the public, and the board shall keep a full
16 record of all its proceedings;

17 (2) after reviewing recommendations from the Department of
18 Revenue, adopt investment policies for each of the funds entrusted to the board;

19 (3) determine the appropriate investment objectives for the defined
20 benefit plans established under the teachers' retirement system under AS 14.25 and the
21 public employees' retirement system under AS 39.35;

22 (4) assist in prescribing the policies for the proper operation of the
23 systems and take other actions necessary to carry out the intent and purpose of the
24 systems in accordance with AS 37.10.210 - 37.10.390;

25 (5) provide a range of investment options and establish the rules by
26 which participants can direct their investments among those options with respect to
27 accounts established under

28 (A) AS 14.25.340 - 14.25.350 (teachers' retirement system
29 defined contribution individual accounts);

30 (B) AS 39.30.150 - 39.30.180 (State of Alaska Supplementary
31 Annuity Plan);

1 (C) AS 39.35.730 - 39.35.750 (public employees' retirement
2 system defined contribution individual accounts); and

3 (D) AS 39.45.010 - 39.45.060 (public employees' deferred
4 compensation program);

5 (6) establish the rate of interest that shall be annually credited to each
6 member's individual contribution account in accordance with AS 14.25.145 and
7 AS 39.35.100 and the rate of interest that shall be annually credited to each member's
8 account in the health reimbursement arrangement plan under AS 39.30.300 -
9 39.30.495; the rate of interest shall be adopted on the basis of the probable effective
10 rate of interest on a long-term basis, and the rate may be changed from time to time;

11 (7) adopt a contribution surcharge as necessary under AS 39.35.160(c);

12 (8) coordinate with the retirement system administrator to have an
13 annual actuarial valuation of each retirement system prepared to determine system
14 assets, accrued liabilities, and funding ratios and to certify to the appropriate
15 budgetary authority of each employer in the system

16 (A) an appropriate contribution rate for normal costs; and

17 (B) an appropriate contribution rate to liquidate [FOR
18 LIQUIDATING] any past service liability over a period of 25 years; the
19 board shall establish the start and end dates of the 25-year period;

20 (9) review actuarial assumptions prepared and certified by a member
21 of the American Academy of Actuaries and conduct experience analyses of the
22 retirement systems not less than once every four years, except for health cost
23 assumptions, which shall be reviewed annually; the results of all actuarial assumptions
24 prepared under this paragraph shall be reviewed and certified by a second member of
25 the American Academy of Actuaries before presentation to the board;

26 (10) contract for an independent audit of the state's actuary not less
27 than once every four years;

28 (11) contract for an independent audit of the state's performance
29 consultant not less than once every four years;

30 (12) obtain an external performance review to evaluate the investment
31 policies of each fund entrusted to the board and report the results of the review to the

1 appropriate fund fiduciary;

2 (13) by the first day of each regular legislative session, report to the
3 governor, the legislature, and the individual employers participating in the state's
4 retirement systems on the financial condition of the systems in regard to

5 (A) the valuation of trust fund assets and liabilities;

6 (B) current investment policies adopted by the board;

7 (C) a summary of assets held in trust listed by the categories of
8 investment;

9 (D) the income and expenditures for the previous fiscal year;

10 (E) the return projections for the next calendar year;

11 (F) one-year, three-year, five-year, and 10-year investment
12 performance for each of the funds entrusted to the board; and

13 (G) other statistical data necessary for a proper understanding
14 of the financial status of the systems;

15 (14) submit quarterly updates of the investment performance reports to
16 the Legislative Budget and Audit Committee; and

17 (15) develop an annual operating budget.

18 * **Sec. 5.** AS 39.35.100 is repealed and reenacted to read:

19 **Sec. 39.35.100. Accounting.** (a) The commissioner shall establish and
20 maintain an adequate system of accounts and records for the plan. The accounts and
21 records shall be integrated with the accounts, records, and procedures of the employers
22 to the end that they operate most effectively and at minimum expense, and that
23 duplication of records and accounts is avoided.

24 (b) An individual account shall be maintained for each employee to record the
25 amount of the employee's mandatory contributions collected under AS 39.35.160(a).
26 As of the last day of each calendar year and of each fiscal year, this account shall be
27 credited with interest by applying the prescribed rate of interest, as determined by the
28 board, to the balance in the account as of that date. When the employee is appointed to
29 retirement, the amount held in the individual account shall be used first to fully
30 finance the benefits paid. Once this account has been exhausted, the plan shall fully
31 finance the benefits paid that were not financed by the employee's individual account.

1 (c) An individual account shall be maintained for each employee to record the
2 amount of the employee's voluntary contributions to an employee savings account
3 under AS 39.35.180. As of the last day of each calendar year and of each fiscal year,
4 this account shall be credited with interest by applying the prescribed rate of interest,
5 as determined by the board, to the balance in the account as of that date. Amounts that,
6 before termination of employment, are withdrawn by an employee from the
7 employee's savings account shall be charged to that account. When an employee is
8 appointed to retirement, the amount held in the employee's savings account shall be
9 paid in accordance with AS 39.35.395.

10 * Sec. 6. AS 39.35.115 is amended by adding new subsections to read:

11 (d) The retirement plan set out in AS 39.35.095 - 39.35.680 is a joint
12 contributory plan.

13 (e) If, upon termination of the plan, all liabilities of the plan have been
14 satisfied, any excess assets revert to the employers, as determined by the
15 administrator, subject to the approval of the termination by the Internal Revenue
16 Service.

17 * Sec. 7. AS 39.35.125(a) is amended to read:

18 (a) An elected official of the state or of a political subdivision of the state if
19 the political subdivision has elected under AS 39.35.600 - 39.35.650 [AS 39.35.550 -
20 39.35.650] to designate elected officials in the classifications of employees entitled to
21 participate in the plan is included in the plan unless the official files a written waiver
22 of coverage with the administrator. A waiver under this subsection waives coverage of
23 future employment as an elected official, regardless of any change of employer. An
24 elected official may file a waiver under this subsection at any time after election to
25 office, including the period before taking the oath of office. An elected official may
26 revoke a waiver under this subsection by filing a written revocation with the
27 administrator. A revocation under this subsection operates prospectively only, and the
28 elected official may not receive credited service for service as an elected official while
29 the waiver was in effect. There is no limit on the number of times an elected official
30 may file a waiver or revocation under this subsection.

31 * Sec. 8. AS 39.35.160(c) is amended to read:

1 (c) An employee who has made an election under AS 39.35.300(c) or
2 39.35.310(c) to have the employee's years of service as a noncertificated employee of
3 a state boarding school, of a school district or regional educational attendance area, of
4 the special education service agency, or of the Alaska Vocational Technical Center
5 determined by reference to AS 14.25.220 shall pay a contribution surcharge for that
6 service. The amount of the surcharge is the difference between the amount the
7 employer would have had to contribute under AS 39.35.255 - 39.35.290
8 [AS 39.35.250 - 39.35.290] for the employee when treating the employee's credited
9 service as service earned under AS 39.35.300(c) or 39.35.310(c) less the amount the
10 employer would have had to contribute under AS 39.35.255 - 39.35.290
11 [AS 39.35.250 - 39.35.290] without treating the employee's credited service as service
12 earned under AS 39.35.300(c) or 39.35.310(c).

13 * Sec. 9. AS 39.35 is amended by adding a new section to read:

14 Sec. 39.35.255. Contributions by employers. (a) Each employer shall
15 contribute to the system an amount calculated by applying a rate of 22 percent to the
16 annual total of all base salaries paid by the employer to employees who are active
17 members of the public employees' retirement system, including any adjustments to
18 contributions required by AS 39.35.520.

19 (b) The employer shall transmit the contribution calculated in (a) of this
20 section to the administrator in accordance with AS 39.35.610. The administrator shall
21 allocate contributions received for full payment of

22 (1) the annual employer normal cost rate, as adopted by the board, for
23 every active member of the defined benefit retirement plan set out in AS 39.35.095 -
24 39.35.680 who is an employee of the employer; and

25 (2) all contributions required by AS 39.35.750 for the fiscal year.

26 (c) If, after allocation of contributions under (b) of this section, a portion of
27 the employer's contribution remains, the administrator shall apply that remaining
28 portion toward payment of the accrued unfunded liability of the defined benefit
29 retirement plan established in AS 39.35.095 - 39.35.680.

30 (d) Notwithstanding (a) of this section, the annual employer contribution rate
31 may not be less than the rate required, after subtracting the member contribution rate.

1 to fully fund the actuarially calculated normal cost adopted by the board.

2 (e) An employer of a retired member rehired under AS 39.35.150 shall include
3 that member's base salary when calculating the contribution amount established in (a)
4 of this section.

5 (f) In this section,

6 (1) "accrued unfunded liability" means the excess of actuarial accrued
7 liability over the actuarial value of the plan's assets, as of the date of the last actuarial
8 valuation;

9 (2) "employer normal cost rate" means the percentage of compensation
10 of all active members in the plan that, when combined with the member contribution
11 rate of active members in the plan, is sufficient to pay the actuarially calculated
12 normal cost; this percentage is uniformly determined for all employers and is
13 applicable to each employer;

14 (3) "normal cost" means the cost of providing the benefits expected to
15 be credited, with respect to service, to all active members of the plan during the year
16 beginning after the last valuation date.

17 * **Sec. 10.** AS 39.35.280 is repealed and reenacted to read:

18 **Sec. 39.35.280. Determination and payment of state contributions.** (a) The
19 state shall make the contributions required under AS 39.35.255 for each of its active
20 employees.

21 (b) In addition to the contributions required under (a) of this section, the state
22 shall contribute to the public employees' retirement system each July 1 an amount for
23 the ensuing fiscal year that, when combined with the total employer contributions that
24 the administrator estimates will be collected under AS 39.35.255, is sufficient to pay
25 the system's past service liability at the contribution rate adopted by the board under
26 AS 37.10.220 for that fiscal year.

27 * **Sec. 11.** AS 39.35.520(a) is amended to read:

28 (a) When a change or error is made in the records maintained by the plan or in
29 the contributions made on behalf of an employee or an error is made in computing a
30 benefit, and, as a result, an employee or beneficiary is entitled to receive from the plan
31 more or less than the employee would have been entitled to receive had the records or

1 contributions been correct or had the error not been made, (1) the records,
2 contributions, or error shall be corrected, and (2) as far as practicable, future payments
3 or benefit entitlement shall be adjusted so that the actuarial equivalent of the pension
4 or benefit to which the employee or beneficiary was correctly entitled shall be paid.
5 An adjustment to contributions shall be picked up by the employer under
6 AS 39.35.160 or treated as an adjustment to the employer's contributions under
7 AS 39.35.255 [AS 39.35.270], depending upon the nature of the adjustment. If no
8 future payment is due, a person who was paid any amount to which the person was not
9 entitled is liable for repayment of that amount, and a person who was not paid the full
10 amount to which the person was entitled shall be paid the balance of that amount.

11 * Sec. 12. AS 39.35.610 is amended by adding a new subsection to read:

12 (b) If contributions are not submitted within the prescribed time limit, the
13 amount of contributions and interest due may be claimed by the administrator from
14 any agency of the state or political subdivision that has in its possession funds of the
15 employer or that is authorized to disburse funds to the employer that are not restricted
16 by statute or appropriation to a specific purpose. The amount claimed shall be certified
17 by the administrator as sufficient to pay the contributions and interest due from the
18 employer. The amount claimed shall be submitted to the administrator for deposit in
19 the appropriate accounts.

20 * Sec. 13. AS 39.35.615(a) is amended to read:

21 (a) A political subdivision or public organization may request that its
22 participation in the plan be terminated [THAT ITS PARTICIPATION
23 AGREEMENT BE AMENDED]. The request may be made only after adoption of a
24 resolution by the legislative body of the political subdivision and approval of the
25 resolution by the person required by law to approve the resolution, or, in the case of a
26 public organization, after adoption of a resolution by the governing body of that public
27 organization. a certified copy of the resolution shall be filed with the administrator, if
28 a political subdivision or public organization terminates [AMENDS] its participation
29 [AGREEMENT SO AS TO TERMINATE COVERAGE OF A DEPARTMENT,
30 GROUP, OR OTHER CLASSIFICATION OF EMPLOYEES], each employee whose
31 coverage is so terminated, regardless of the employee's employment status at the date

1 of termination, shall be considered fully vested in actuarially adjusted accrued
2 retirement benefits as of the date of termination, unless

3 [(1)] the employee's contributions have been refunded [; OR

4 (2) THE POLITICAL SUBDIVISION OR PUBLIC
5 ORGANIZATION AMENDED ITS PARTICIPATION AGREEMENT TO
6 EXCLUDE COVERAGE FOR THE AFFECTED DEPARTMENT, GROUP, OR
7 OTHER CLASSIFICATION OF EMPLOYEES AT THE WRITTEN REQUEST OF
8 A MAJORITY OF THE EMPLOYEES EMPLOYED IN THAT DEPARTMENT,
9 GROUP, OR OTHER CLASSIFICATION AT THE TIME THE REQUEST WAS
10 MADE].

11 * **Sec. 14.** AS 39.35.615 is amended by adding new subsections to read:

12 (g) An employer terminating participation in the plan shall pay termination
13 costs determined by the administrator, or enter into a payment plan acceptable to the
14 administrator, within 60 days after the employer's receipt of notice of its termination
15 costs from the administrator. Termination costs not paid within the prescribed time
16 limit or in accordance with the approved payment plan shall be collected by the
17 administrator in accordance with AS 39.35.610(b). If the termination cost study
18 reflects that the employer's allocated share of the plan's assets exceeds the termination
19 cost, the excess assets, net of the cost described in (h) of this section, shall be refunded
20 to the employer to the extent allowed under the Internal Revenue Code. Termination
21 of participation by an employer in the plan does not bar future participation by the
22 employer under AS 39.35.700 - 39.35.990 if the employer has paid in full its prior
23 termination costs.

24 (h) A political subdivision or public organization considering or requesting
25 termination from the plan shall pay the cost associated with obtaining a termination
26 cost study associated with the employer's termination.

27 * **Sec. 15.** AS 39.35.620 is amended by adding new subsections to read:

28 (i) An employer terminating participation in the plan shall pay termination
29 costs determined by the administrator, or enter into a payment plan acceptable to the
30 administrator, within 60 days after the employer's receipt of notice of the cost.
31 Termination costs not paid within the prescribed time limit or in accordance with the

1 approved payment plan shall be collected by the administrator in accordance with
2 AS 39.35.610(b). If the termination cost study reflects that the employer's allocated
3 share of the plan's assets exceeds the termination cost, the excess assets, net of the cost
4 described in (j) of this section, shall be refunded to the employer to the extent allowed
5 under the Internal Revenue Code. Termination of participation by an employer in the
6 plan does not bar future participation by the employer under AS 39.35.700 - 39.35.990
7 if the employer has paid in full its prior termination costs.

8 (j) A political subdivision or public organization being terminated from the
9 plan shall pay the cost associated with obtaining a termination cost study associated
10 with the employer's termination.

11 * **Sec. 16.** AS 39.35 is amended by adding a new section to read:

12 **Sec. 39.35.625. Termination costs.** Notwithstanding AS 39.35.255, the
13 calculation of termination costs under AS 39.35.615 and 39.35.620 shall be based on
14 plan assets attributable to the employer and the amount that is actuarially determined
15 to be necessary for the full payment of benefits owed to the employer's employees
16 under the plan. The administrator shall establish and maintain records needed for
17 calculation of employer termination costs.

18 * **Sec. 17.** AS 39.35.650 is amended to read:

19 **Sec. 39.35.650. Refunds to employers.** An employer may not receive an
20 amount from the plan, except as provided under AS 39.35.115(e), 39.35.615(g), and
21 39.35.620(i) [AS 39.35.615(e) AND 39.35.620(g)].

22 * **Sec. 18.** AS 39.35.250, 39.35.260, 39.35.270, 39.35.550, 39.35.560, 39.35.570, 39.35.580,
23 39.35.590, 39.35.615(d), 39.35.615(e), 39.35.615(f), 39.35.620(c), 39.35.620(f), 39.35.620(g),
24 and 39.35.620(h) are repealed.

25 * **Sec. 19.** The uncodified law of the State of Alaska is amended by adding a new section to
26 read:

27 **TRANSITION.** (a) The administrator of the Public Employees' Retirement System of
28 Alaska shall notify each political subdivision or public organization participating as an
29 employer in the defined benefit plan of that system of the enactment of this Act and of the
30 departments, groups, or other classifications of employees that the employer has designated as
31 eligible plan participants under its existing participation agreement.

1 (b) Notwithstanding AS 39.35.615, as amended by secs. 13, 14, and 18 of this Act, an
2 employer shall, on or before the 90th day after the date of receipt of notification under (a) of
3 this section, request any amendment to its participation agreement to add or terminate
4 coverage of a department, group, or other classification of employees. An employer may not
5 award past service to employees added during the 90-day period. An employer that requests to
6 amend its participation agreement to add coverage of its elected officials may only cover an
7 elected official when the employer compensates the elected official at least \$2,001 a month
8 for serving as an elected official. An employer may not amend its participation agreements to
9 add or terminate coverage of a department, group, or other classification of employees after
10 the 90-day period.

11 (c) Notwithstanding AS 39.35.255, as enacted by sec. 9 of this Act, the employer
12 contributions under AS 39.35.255(a) for the fiscal year ending June 30, 2008, shall be
13 calculated separately for certain employers by applying an independent percentage to the
14 annual total of base salaries paid by the employer to employees who are active members of
15 the public employees' retirement system. The employers subject to this separate calculation
16 and the independent percentages that apply to each are

- 17 (1) the Aleutians East Borough, 10.01 percent;
- 18 (2) the Municipality of Anchorage, 21.51 percent;
- 19 (3) the City of Bethel, 17.25 percent;
- 20 (4) the Bristol Bay Borough, 17.95 percent;
- 21 (5) the City of Cordova, 12.85 percent;
- 22 (6) the City of Delta Junction, 20.84 percent;
- 23 (7) the Denali Borough, 3.07 percent;
- 24 (8) the City of Egegik, 15.84 percent;
- 25 (9) the City of Galena, 18.24 percent;
- 26 (10) the City of Huslia, 17.68 percent;
- 27 (11) the City of Kachemak, 9.70 percent;
- 28 (12) the Kenai Peninsula Borough, 17.11 percent;
- 29 (13) the Ketchikan Gateway Borough, 17.61 percent;
- 30 (14) the City of Ketchikan, 12.03 percent;
- 31 (15) the Kodiak Island Borough, 4.55 percent;

- 1 (10) the City of Kodiak, 14.88 percent;
2 (17) the Lake and Peninsula Borough, 14.02 percent;
3 (18) the City of North Pole, 15.55 percent;
4 (19) the City of Palmer, 13.33 percent;
5 (20) the City of Petersburg, 12.20 percent;
6 (21) the City of Quinhagak, 16.56 percent;
7 (22) the City of Saxman, 17.53 percent;
8 (23) the City of Seward, 12.66 percent;
9 (24) the City of Soldotna, 0.00 percent;
10 (25) the City of Tanana, 10.28 percent;
11 (26) the City of Unalakleet, 15.35 percent;
12 (27) the City of Valdez, 17.15 percent;
13 (28) the City and Borough of Yakutat, 18.94 percent.

14 * Sec. 20. The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 TRANSITION: REGULATIONS. The Department of Administration and the
17 Department of Revenue may proceed to adopt regulations to implement their respective
18 provisions of this Act.

19 * Sec. 21. The uncodified law of the State of Alaska is amended by adding a new section to
20 read:

21 REVISOR'S INSTRUCTIONS. The revisor of statutes is instructed to change the
22 heading of

23 (1) AS 39.35.615 from "Effect of termination by amendment of agreement" to
24 "Voluntary termination of participation";

25 (2) AS 39.35.620 from "Termination of participation" to "Involuntary
26 termination of participation."

27 * Sec. 22. Sections 19 and 20 of this Act take effect immediately under AS 01.10.070(c).

28 * Sec. 23. Except as provided in sec. 22 of this Act, this Act takes effect July 1, 2007.



Senate Bill 125
Overview
PERS Cost - Share Bill

Senate Finance Subcommittee
March 19, 2007

Division of Retirement and Benefits

Purpose of Cost-Share Bill

Assigns the state 65% of the unfunded liability at 6/30/2006 (estimated \$3.6 billion of \$5.5 billion total)

Employers would pay uniform rate (31.86%-FY08), except state would pay higher rate (47.92%-FY08)

All employers share cost (benefits, administration and investment)

Simplifies administration of plan

Section 1 - AS 39.35.100

- Repeals prior language on separate employer accounts
- Eliminates Retiree Reserve Account
- States how pension benefits will be paid
 - Employee account exhausted first
 - Plan funds benefits after employee account exhausted

Section 2 - AS 39.35.115

- Adds two subsections
 - (d) joint contributory plan
 - (e) allocates excess assets at plan termination

Reason

- Clarifies who contributes
- Section (e) required by IRS

Establishes Cost-Share Plan

Section 5 - AS 39.35.255

Defines required employer contribution rate

Defines how rate is applied

Specifies minimum contribution rate

Sets timing for contribution payment

Defines contribution level for rehired retirees

Defines normal cost and past service rates

Section 19

Cost-share effective date July 1, 2007



Section 6 - AS 39.35.260

- Requires rate to be calculated annually
- Requires participating employers to budget for contributions

Section 7 - AS 39.35.260

- Adds subsection (b)
 - Assigns 65% of unfunded liability to state at 6/30/2006
 - Remaining 35% of unfunded liability to other PERS employers
 - Stipulates rate conditions

Section 9 - AS 39.35.610(b)

- Provides for intercept in event employer does not make timely contributions



Section 10 - AS 39.35.615

- Addresses **voluntary termination** provisions and allows employer to terminate from plan
- Prevents amendments to participation agreement under cost-share design

Section 11 - AS 39.35.615(g)

Sets timeframe for termination cost payment

– Payment plan or lump sum

Allows for intercept of funds

Provides for refund of excess assets, if any

Allows for employer to join DCR Plan if termination cost paid in full

Section 11 – AS 39.35.615(h)

Requires employer to pay termination costs

Section 12 - AS 39.35.620(i)

Sets timeframe for involuntary termination cost payment

– Payment plan or Lump sum

Allows for intercept of funds

Provides for refund of excess assets, if any

Allows for employer to join DCR Plan if paid in full

Section 12 – AS 39.35.620(j)

Requires employers under involuntary termination to pay termination costs

Section 13 - AS 39.35.650

- Clarifies employer refund conditions
 - Plan's termination
 - Employer's termination, if assets exceed liabilities

Reason

- Clarification of statute
 - Codify existing practice
- Comply with IRS Code



Section 15

Transition

- Provides for notification to employer of employee groups covered under participation agreement
 - 90-day time limit for amendments
- Past service credit not allowed during transition

Section 18

Immediate effective date for employer notification

Section 16

Transition

- Provides for adoption of regulations

Section 18

Immediate effective date to promulgate regulations

Section 17

Reviser's Instructions

- Change headings
 - AS 39.35.615 (voluntary termination)
 - AS 39.35.620 (involuntary termination)

Cost-Share Legislation

Redesign PERS DB plan – align with TRS

- All employers share cost/income of plan (benefits, administration, investment)
- Uniform, less volatile, contribution rate
- Resolves accounting issues

ARMB supports concept–Resolution 2007-04

AML supports concept

Plan administration simplified

Introduced by Governor as proposed solution

Cost Share Exhibits

Exhibit #		Page #
1	Pure Cost Share all (160) PERS Employers pay one uniform rate – 39.76% - Exhibit 1	1-5
2(a)	Cost Share, State @ 65% unfunded liability plus \$1.7B POB – "Winners" - Exhibit 2(a)	6-7
2(b)	Cost Share, State @ 65% unfunded liability plus \$1.7B POB – "Losers" - Exhibit 2(b)	8-10
3	Hold harmless employers FY07 rate below FY08 Cost Share Rate - Exhibit 3	11-14
4	FY08 Governor's Amended Budget – One page Summary - Exhibit 4.....	15
5(a)	Impact to PERS going to Cost Share @ 65% and \$1.7B POB on GF for FY08 - Exhibit 5(a).....	16
5(b)	Impact to TRS with \$500M cash and \$2B on the GF for FY08 - Exhibit 5(b)	17-18
6(a)	PERS overall savings from proposed solution with POB - Exhibit 6(a).....	19-20
6(b)	TRS overall savings from proposed solution with POB and \$500M cash - Exhibit 6(b).....	21-22
7(a)	FY06 PERS "Heros" – Employers who applied rate relief (SB46) to unfunded liability - Exhibit 7(a)	23
	- Hero List – City of Soldotna in FY05 made a \$1 million deposit their PERS account to pay down unfunded liability	
7(b)	FY07 PERS "Heros" – Employers who applied rate relief (SB231) to unfunded liability - Exhibit 7(b).....	24

**EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION -
CHANGE TO COST SHARE - BEFORE 65/35 AND POBs**

Winners and Losers - FY08 Base

		2	5	6 = 2 x 5				
		Gross Salaries						
ER		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate	FY 08 Est. Contribution - Orig	Average Rate - 05 val w/ level \$ amort	FY 08 Est. Contribution - Straight Cost Share	Loser FY08 cost share > FY08 original	Winner FY08 cost share < FY08 original
101	STATE OF ALASKA PERS	848,376,355	44.01%	373,370,434	39.76%	337,314,439	-	(36,055,995)
113	UNIVERSITY OF ALASKA PERS	136,296,354	33.75%	46,000,019	39.76%	54,191,430	8,191,411	-
208	AKUTAN, CITY OF	307,967	14.48%	44,594	39.76%	122,448	77,854	-
230	ALEUTIANS EAST BOROUGH	704,070	20.31%	142,997	39.76%	279,938	136,942	-
259	ALLAKAKET, CITY OF	19,758	14.48%	2,861	39.76%	7,856	4,995	-
203	ANCHORAGE PARKING AUTHORITY	1,298,338	29.27%	380,024	39.76%	516,219	136,196	-
173	ANCHORAGE, MUNICIPALITY OF	151,287,070	39.33%	59,501,205	39.76%	60,151,739	650,534	-
283	ANDERSON, CITY OF	43,355	14.48%	6,278	39.76%	17,238	10,960	-
243	ATKA, CITY OF	99,456	34.02%	33,835	39.76%	39,544	5,709	-
171	BARROW, CITY OF	1,248,265	17.70%	220,943	39.76%	496,310	275,367	-
219	BARTLETT REGIONAL HOSPITAL	20,709,107	21.87%	4,529,082	39.76%	8,233,941	3,704,859	-
136	BETHEL, CITY OF	5,809,252	17.40%	1,010,810	39.76%	2,309,759	1,298,949	-
144	BRISTOL BAY BOROUGH	1,749,955	29.90%	523,237	39.76%	695,782	172,546	-
163	CORDOVA COMMUNITY MEDICAL CENTER	2,172,784	29.97%	651,183	39.76%	863,899	212,716	-
186	CRAIG, CITY OF	1,567,345	33.56%	559,561	39.76%	662,936	103,375	-
282	DELTA JUNCTION, CITY OF	293,706	17.27%	50,723	39.76%	116,778	66,055	-
178	DILLINGHAM, CITY OF	2,227,329	28.49%	634,566	39.76%	885,586	251,020	-
271	EGEGIK, CITY OF	45,968	31.40%	14,434	39.76%	18,277	3,843	-
116	FAIRBANKS NORTH STAR BOROUGH	19,314,602	29.98%	5,790,518	39.76%	7,679,486	1,888,968	-
183	FORT YUKON, CITY OF	401,625	14.48%	58,155	39.76%	159,686	101,531	-
192	GALENA, CITY OF	1,822,779	16.88%	307,685	39.76%	724,737	417,052	-
215	HOMER, CITY OF	5,104,318	35.96%	1,835,513	39.76%	2,029,477	193,964	-
199	HOONAH, CITY OF	689,170	27.46%	189,246	39.76%	274,014	84,768	-
285	HOOPER BAY, CITY OF	12,600	14.48%	1,825	39.76%	5,010	3,185	-
275	ILISAGVIK COLLEGE	3,887,085	16.19%	629,319	39.76%	1,545,505	916,186	-
180	KENAI PENINSULA BOROUGH	14,366,322	37.39%	5,371,568	39.76%	5,712,050	340,482	-
122	KETCHIKAN GATEWAY BOROUGH	4,697,575	32.18%	1,511,680	39.76%	1,867,756	356,076	-
151	KING COVE, CITY OF	932,592	26.53%	247,417	39.76%	370,799	123,382	-
227	KLAWOCK, CITY OF	671,063	15.13%	101,532	39.76%	266,815	165,283	-
140	KOTZEBUE, CITY OF	3,632,278	17.13%	622,209	39.76%	1,444,194	821,985	-
287	KOYL'K, CITY OF	25,112	14.48%	3,636	39.76%	9,985	6,348	-
109	MATANUSKA-SUSITNA BOROUGH	12,730,979	33.89%	4,314,529	39.76%	5,061,837	747,308	-
254	MEKORYUK, CITY OF	3,189	20.53%	655	39.76%	1,268	613	-
294	MOUNTAIN VILLAGE, CITY OF	34,341	14.48%	4,973	39.76%	13,654	8,681	-
175	NOME JOINT UTILITY SYSTEM	883,109	22.82%	201,526	39.76%	351,124	149,599	-
139	NOME, CITY OF	2,532,588	36.02%	912,238	39.76%	1,006,957	94,719	-
241	NOORVIK, CITY OF	90,423	15.92%	14,395	39.76%	35,952	21,557	-

**EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION -
CHANGE TO COST SHARE - BEFORE 65/35 AND POBs**

Winners and Losers - FY08 Base

ER		Gross Salaries		FY 08 Est. Contribution - Orig	Average Rate - 05 val w/ level \$ amort	FY 08 Est. Contribution - Straight Cost Share	Loser FY08 cost share > FY08 original	Winner FY08 cost share < FY08 original
		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate					
191	NORTH POLE, CITY OF	1,667,144	34.59%	576,665	39.76%	662,857	86,191	-
145	NORTH SLOPE BOROUGH	38,915,994	22.96%	8,935,112	39.76%	15,472,999	6,537,887	-
220	NORTHWEST ARCTIC BOROUGH	1,043,827	18.24%	190,394	39.76%	415,025	224,631	-
200	PELICAN, CITY OF	155,103	34.82%	54,007	39.76%	61,669	7,662	-
187	PETERSBURG MEDICAL CENTER	3,855,146	21.73%	837,723	39.76%	1,532,806	695,083	-
266	QUINHAGAK, CITY OF	28,529	14.48%	4,131	39.76%	11,343	7,212	-
172	SAINT PAUL, CITY OF	1,263,904	28.44%	359,454	39.76%	502,528	143,074	-
176	SAND POINT, CITY OF	925,242	29.98%	277,388	39.76%	367,876	90,489	-
278	SAXMAN SEAPORT	70,936	28.13%	19,954	39.76%	28,204	8,250	-
286	SELDOVIA, CITY OF	64,281	21.58%	13,872	39.76%	25,558	11,686	-
182	SEWARD, CITY OF	4,055,986	31.14%	1,263,034	39.76%	1,612,660	349,626	-
165	SITKA COMMUNITY HOSPITAL	4,559,308	32.58%	1,485,422	39.76%	1,812,781	327,358	-
132	SKAGWAY, CITY OF	1,851,825	25.36%	469,623	39.76%	736,286	266,663	-
123	SOLDOTNA, CITY OF	2,847,540	33.94%	966,455	39.76%	1,132,182	165,727	-
169	TANANA, CITY OF	96,281	14.48%	13,941	39.76%	38,281	24,340	-
206	THORNE BAY, CITY OF	276,762	23.11%	63,960	39.76%	110,040	46,081	-
280	TOKSOOK BAY, CITY OF	28,493	23.16%	6,599	39.76%	11,329	4,730	-
249	UNALAKLEET, CITY OF	206,072	29.89%	61,595	39.76%	81,934	20,339	-
179	UNALASKA, CITY OF	9,647,494	23.34%	2,251,725	39.76%	3,835,844	1,584,119	-
290	UPPER KALSKAG, CITY OF	19,615	14.48%	2,840	39.76%	7,799	4,959	-
131	WASILLA, CITY OF	4,913,053	24.38%	1,197,802	39.76%	1,953,430	755,627	-
202	WHITTIER, CITY OF	1,031,368	21.40%	220,713	39.76%	410,072	189,359	-
248	YAKUTAT, CITY AND BOROUGH	744,132	25.22%	187,670	39.76%	295,867	108,197	-
148	CORDOVA, CITY OF	2,307,407	52.49%	1,211,158	39.76%	917,425	-	(293,733)
258	DENALI BOROUGH	155,766	51.83%	80,733	39.76%	61,932	-	(18,801)
129	FAIRBANKS, CITY OF	7,175,800	184.95%	13,271,641	39.76%	2,853,098	-	(10,412,543)
189	HAINES BOROUGH	1,661,014	43.85%	728,355	39.76%	660,419	-	(67,935)
235	HUSLIA, CITY OF	120,616	40.43%	48,765	39.76%	47,957	-	(808)
126	JUNEAU, CITY AND BOROUGH	28,997,989	42.56%	12,341,544	39.76%	11,529,600	-	(811,944)
260	KACHEMAK, CITY OF	24,942	90.23%	22,505	39.76%	9,917	-	(12,588)
115	KENAI, CITY OF	5,678,794	45.71%	2,595,777	39.76%	2,257,888	-	(337,888)
181	KETCHIKAN, CITY OF	8,185,616	52.61%	4,306,452	39.76%	3,254,601	-	(1,051,852)
174	KODIAK ISLAND BOROUGH	2,359,685	49.23%	1,161,673	39.76%	938,211	-	(223,462)
128	KODIAK, CITY OF	6,015,174	48.05%	2,890,291	39.76%	2,391,633	-	(498,658)
247	LAKE AND PENINSULA BOROUGH	411,346	41.95%	172,559	39.76%	163,551	-	(9,008)
193	NENANA, CITY OF	209,537	41.79%	87,566	39.76%	83,312	-	(4,254)
134	PALMER, CITY OF	3,312,705	43.05%	1,426,120	39.76%	1,317,132	-	(108,988)
143	PETERSBURG, CITY OF	4,132,593	41.15%	1,700,562	39.76%	1,643,119	-	(57,443)
198	SAXMAN, CITY OF	126,122	105.76%	133,387	39.76%	50,146	-	(83,241)
120	SITKA, CITY AND BOROUGH	9,012,579	43.31%	3,903,348	39.76%	3,583,402	-	(319,947)

**EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION -
CHANGE TO COST SHARE - BEFORE 65/35 AND POBs**

Winners and Losers - FY08 Base

ER		Gross Salaries		FY 08 Est. Contribution - Orig	Average Rate - 05 val w/ level \$ amort	FY 08 Est. Contribution - Straight Cost Share	Loser FY08 cost share > FY08 original	Winner FY08 cost share < FY08 original
		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate					
107	VALDEZ, CITY OF	5,267,186	46.32%	2,439,761	39.76%	2,094,233	-	(345,527)
135	WRANGELL, CITY OF	2,823,476	47.74%	1,347,928	39.76%	1,122,614	-	(225,313)
	PERS Poll Subs	427,761,855		159,755,152		170,078,114	25,212,896	(14,889,934)
152	ALASKA HOUSING FINANCE CORPORATION	18,397,143	26.68%	4,908,358	39.76%	7,314,704	2,406,346	-
267	ALEUTIAN HOUSING AUTHORITY	969,986	18.92%	183,521	39.76%	385,666	202,145	-
245	ALEUTIANS WEST CRSA	52,719	38.35%	20,218	39.76%	20,961	743	-
281	BARANOF ISLAND HA	476,399	15.12%	72,031	39.76%	189,416	117,385	-
270	BERING STRAITS RHA	1,078,781	17.62%	190,081	39.76%	428,923	238,842	-
223	BRISTOL BAY RHA	1,375,226	17.66%	242,865	39.76%	546,790	303,925	-
262	COOK INLET HOUSING AUTHORITY	4,298,799	17.00%	730,796	39.76%	1,709,203	978,407	-
224	COPPER RIVER BASIN RHA	614,337	17.45%	107,202	39.76%	244,260	137,059	-
263	INTERIOR RHA	1,203,929	16.73%	201,417	39.76%	478,682	277,265	-
284	INTER-ISLAND FERRY AUTHORITY	1,019,517	16.00%	163,123	39.76%	405,360	242,237	-
170	NORTH PACIFIC FISHERY MGMT COUNCIL	1,455,558	30.04%	437,250	39.76%	578,730	141,480	-
276	NORTH PACIFIC RIM HA	1,153,137	17.37%	200,300	39.76%	458,487	258,187	-
288	NORTHWEST INUPIAT HOUSING AUTHORITY	1,126,996	17.65%	198,915	39.76%	448,093	249,179	-
167	SOUTHEAST REGIONAL RESOURCE CENTER	1,377,180	34.41%	473,888	39.76%	547,567	73,679	-
211	SPECIAL EDUCATION SERVICE AGENCY	421,365	25.10%	105,763	39.76%	167,535	61,772	-
293	TAGIUGMIULLU NUNAMIULLU HOUSING AUT	1,450,856	14.90%	216,178	39.76%	576,860	360,683	-
279	TLINGIT-HAIDA RHA	2,331,908	20.69%	482,472	39.76%	927,167	444,695	-
106	ALASKA MUNICIPAL LEAGUE	310,281	52.74%	163,642	39.76%	123,368	-	(40,275)
	PERS Other	39,114,115		9,098,018		15,551,772	6,494,029	(40,275)
255	ALASKA GATEWAY SD	1,040,625	24.18%	251,623	39.76%	413,752	162,129	-
162	ALEUTIAN REGION SD	167,231	14.48%	24,215	39.76%	66,491	42,276	-
244	ALEUTIANS EAST BOROUGH SD	662,056	29.88%	197,822	39.76%	263,234	65,411	-
103	ANNETTE ISLAND SD	570,618	14.48%	82,625	39.76%	226,878	144,252	-
104	BERING STRAIT SD	7,076,188	24.49%	1,732,958	39.76%	2,813,492	1,080,534	-
112	COPPER RIVER SD	1,262,805	38.55%	486,811	39.76%	502,091	15,280	-
204	CRAIG CITY SD	855,564	35.26%	301,672	39.76%	340,172	38,500	-
246	DELTA/GREELY SD	1,301,771	35.15%	457,572	39.76%	517,584	60,012	-
205	DILLINGHAM CITY SD	1,393,179	27.30%	380,338	39.76%	553,928	173,590	-
117	FAIRBANKS NORTH STAR BOROUGH SD	28,134,102	36.49%	10,266,134	39.76%	11,186,119	919,985	-
141	GALENA CITY SD	3,209,254	23.72%	761,235	39.76%	1,275,999	514,764	-
240	HAINES BOROUGH SD	558,563	35.16%	196,391	39.76%	222,085	25,694	-
168	HYDABURG CITY SD	129,787	25.87%	33,576	39.76%	51,603	18,027	-
124	IDITAROD AREA SD	963,638	35.87%	344,983	39.76%	383,143	38,160	-
108	JUNEAU BOROUGH SD	9,525,443	39.28%	3,741,594	39.76%	3,787,316	45,722	-
265	KAKE CITY SD	366,919	31.20%	114,479	39.76%	145,887	31,408	-

**EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION -
CHANGE TO COST SHARE - BEFORE 65/35 AND POBs**

Winners and Losers - FY08 Base

ER		Gross Salaries		FY 08 Est. Contribution - Orig	Average Rate - 05 val w/ level \$ amort	FY 08 Est. Contribution - Straight Cost Share	Loser FY08 cost share > FY08 original	Winner FY08 cost share < FY08 original
		Est. FY08 (FY07 * 3%)	FY08 Poard Requested Rate					
211	KASHUNAMIUT SD	1,118,236	26.87%	300,470	39.76%	444,611	144,141	-
177	KETCHIKAN GATEWAY BOROUGH SD	3,621,711	34.44%	1,247,317	39.76%	1,439,992	192,675	-
251	KLAWOCK CITY SD	429,395	35.15%	150,933	39.76%	170,728	19,795	-
125	KUSPUK SD	1,617,224	32.06%	518,482	39.76%	643,008	124,526	-
164	LAKE AND PENINSULA BOROUGH SD	1,673,423	37.60%	629,207	39.76%	665,353	36,146	-
157	LOWER KUSKOKWIM SD	15,647,268	24.45%	3,825,757	39.76%	6,221,354	2,395,597	-
153	LOWER YUKON SD	4,818,306	35.46%	1,708,571	39.76%	1,915,758	207,187	-
110	MATANUSKA-SUSITNA BOROUGH SD	22,759,596	33.89%	7,713,227	39.76%	9,049,216	1,335,988	-
196	NENANA CITY SD	1,388,620	21.62%	300,220	39.76%	552,115	251,896	-
149	NOME CITY SD	1,734,534	34.58%	599,802	39.76%	689,651	89,849	-
161	NORTH SLOPE BOROUGH SD	8,890,221	29.57%	2,628,838	39.76%	3,534,752	905,914	-
154	NORTHWEST ARCTIC BOROUGH SD	7,887,420	20.70%	1,632,696	39.76%	3,136,038	1,503,342	-
257	PELICAN CITY SD	120,470	14.48%	17,444	39.76%	47,899	30,455	-
228	PETERSBURG CITY SD	804,936	35.92%	289,133	39.76%	320,043	30,910	-
156	PRIBILOF SD	574,219	29.28%	168,131	39.76%	228,309	60,178	-
221	SAINT MARY'S SD	431,096	16.66%	71,821	39.76%	171,404	99,583	-
225	SKAGWAY CITY SD	286,767	16.44%	47,145	39.76%	114,019	66,874	-
102	SOUTHWEST REGION SD	2,197,540	30.08%	661,020	39.76%	873,742	212,722	-
166	TANANA SD	153,340	18.98%	29,104	39.76%	60,968	31,864	-
209	UNALASKA CITY SD	850,870	26.87%	228,629	39.76%	338,306	109,677	-
264	YAKUTAT SD	289,667	18.96%	54,921	39.76%	115,172	60,251	-
160	YUKON / KOYUKUK SD	1,493,899	20.02%	299,079	39.76%	593,974	294,896	-
159	YUKON FLATS SD	947,119	17.17%	162,621	39.76%	376,574	213,954	-
195	YUPIIT SD	1,743,107	18.26%	318,291	39.76%	693,059	374,768	-
111	ANCHORAGE SD	81,197,671	40.89%	33,201,728	39.76%	32,284,194	-	(917,534)
184	BRISTOL BAY BOROUGH SD	480,101	42.77%	205,339	39.76%	190,888	-	(14,451)
105	CHATHAM SD	371,217	69.18%	256,808	39.76%	147,596	-	(109,212)
121	CHUGACH SD	292,626	42.23%	123,576	39.76%	116,348	-	(7,228)
185	CORDOVA CITY SD	653,926	56.88%	371,953	39.76%	260,001	-	(111,952)
118	DENALI BOROUGH SD	1,083,629	42.65%	462,168	39.76%	430,851	-	(31,317)
138	HOONAH CITY SD	695,935	45.14%	314,145	39.76%	276,704	-	(37,441)
190	KENAI PENINSULA BOROUGH SD	13,089,068	45.44%	5,947,672	39.76%	5,204,213	-	(743,459)
158	KODIAK ISLAND BOROUGH SD	4,874,624	41.11%	2,003,951	39.76%	1,938,151	-	(55,807)
133	SITKA BOROUGH SD	2,070,752	50.66%	1,049,043	39.76%	823,331	-	(225,712)
155	SOUTHEAST ISLAND SD	678,719	68.73%	466,483	39.76%	269,859	-	(196,625)
137	VALDEZ CITY SD	1,937,697	46.80%	906,842	39.76%	770,428	-	(136,414)
146	WRANGELL PUBLIC SD	761,395	41.94%	319,329	39.76%	302,731	-	(16,598)
	PERS School Districts	246,884,090		88,605,932		98,161,114	12,168,933	(2,613,751)

**EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION -
CHANGE TO COST SHARE - BEFORE 65/35 AND POBs**

Winners and Losers - FY08 Base

ER	Gross Salaries	Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate	FY 08 Est. Contribution - Orig	Average Rate - 05 val w/ level \$ amort	FY 08 Est.	Loser FY08 cost share > FY08 original	Winner FY08 cost share < FY08 original
						Contribution - Straight Cost Share		
TOTAL PERS		1,698,432,768		676,829,555		675,296,869	52,067,268	(53,599,954)
POLITICAL SUBDIVISIONS		427,761,855		159,755,152		170,078,114	25,212,896	(14,889,934)
SCHOOL DISTRICTS		246,884,090		88,605,932		98,161,114	12,168,933	(2,613,751)
STATE OF ALASKA		848,376,355		373,370,434		337,314,439	-	(36,055,995)
UNIVERSITY		136,296,354		46,000,019		54,191,430	8,191,411	-
OTHER PUBLIC ORGANIZATIONS		39,114,115		9,098,018		15,551,772	6,494,029	(40,275)
		1,698,432,768		676,829,555		675,296,869	52,067,268	(53,599,954)
<p>If the legislature were to fund the cost increases for political subdivisions and school districts like it has in the past, the change to a cost share program, in and of itself, would cost the State millions in general fund monies.</p>								

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Winners FY08 Base

		2	5	6 = 2 x 5	7	8	9 = 8-6
		Gross Salaries					
ER		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate	FY08 Est. Contribution	Average Rate (05 val)	Cost Share Contributions in FY08	Winners - FY08 cost share < orig FY08
106	ALASKA MUNICIPAL LEAGUE	310,281	52.74%	163,642	31.86%	98,856	(64,787)
245	ALEUTIANS WEST CRSA	52,719	38.35%	20,218	31.86%	16,796	(3,421)
111	ANCHORAGE SD	81,197,671	40.89%	33,201,728	31.86%	25,869,578	(7,332,150)
173	ANCHORAGE, MUNICIPALITY OF	151,287,070	39.33%	59,501,205	31.86%	48,200,060	(11,301,144)
243	ATKA, CITY OF	99,456	34.02%	33,835	31.86%	31,687	(2,148)
184	BRISTOL BAY BOROUGH SD	480,101	42.77%	205,339	31.86%	152,960	(52,379)
105	CHATHAM SD	371,217	59.18%	256,808	31.86%	118,270	(138,538)
121	CHUGACH SD	292,626	42.23%	123,576	31.86%	93,231	(30,345)
112	COPPER RIVER SD	1,262,805	38.55%	486,811	31.86%	402,330	(84,482)
185	CORDOVA CITY SD	653,926	56.88%	371,953	31.86%	208,341	(163,612)
148	CORDOVA, CITY OF	2,307,407	52.49%	1,211,158	31.86%	735,140	(476,018)
204	CRAIG CITY SD	855,564	35.26%	301,672	31.86%	272,583	(29,089)
186	CRAIG, CITY OF	1,667,345	33.56%	559,561	31.86%	531,216	(28,345)
246	DELTA/GREELY SD	1,301,771	35.15%	457,572	31.86%	414,744	(42,828)
258	DENALI BOROUGH	155,766	51.83%	80,733	31.86%	49,627	(31,106)
118	DENALI BOROUGH SD	1,083,629	42.65%	462,168	31.86%	345,244	(116,924)
117	FAIRBANKS NORTH STAR BOROUGH SD	28,134,102	36.49%	10,266,134	31.86%	8,963,525	(1,302,609)
129	FAIRBANKS, CITY OF	7,175,800	184.95%	13,271,641	31.86%	2,286,210	(10,985,432)
189	HAINES BOROUGH	1,661,014	43.85%	728,355	31.86%	529,199	(199,156)
240	HAINES BOROUGH SD	558,553	35.16%	196,391	31.86%	177,958	(18,433)
215	HOMER, CITY OF	5,104,318	35.96%	1,835,513	31.86%	1,626,236	(209,277)
138	HOONAH CITY SD	695,935	45.14%	314,145	31.86%	221,725	(92,420)
235	HUSLIA, CITY OF	120,616	40.43%	48,765	31.86%	38,428	(10,337)
124	IDITAROD AREA SD	963,638	35.80%	344,983	31.86%	307,015	(37,967)
108	JUNEAU BOROUGH SD	9,525,443	39.28%	3,741,594	31.86%	3,034,806	(706,788)
126	JUNEAU, CITY AND BOROUGH	28,997,989	42.56%	12,341,544	31.86%	9,238,759	(3,102,785)
260	KACHEMAK, CITY OF	24,942	90.23%	22,505	31.86%	7,946	(14,559)
180	KENAI PENINSULA BOROUGH	14,366,322	37.39%	5,371,568	31.86%	4,577,110	(794,458)
190	KENAI PENINSULA BOROUGH SD	13,089,068	45.44%	5,947,672	31.86%	4,170,177	(1,777,495)
115	KENAI, CITY OF	5,678,794	45.71%	2,595,777	31.86%	1,809,264	(786,513)
122	KETCHIKAN GATEWAY BOROUGH	4,697,575	32.18%	1,511,680	31.86%	1,496,647	(15,032)
177	KETCHIKAN GATEWAY BOROUGH SD	3,621,711	34.44%	1,247,317	31.86%	1,153,877	(93,440)
181	KETCHIKAN, CITY OF	8,185,616	52.61%	4,306,452	31.86%	2,607,937	(1,698,515)

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Winners FY08 Base

		2	5	6 = 2 x 5	7	8	9 = 8-6
		Gross Salaries					
ER		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate	FY 08 Est. Contribution	Average Rate (05 val)	Cost Share Contributions In FY08	Winners - FY08 cost share < orig FY08
251	KLAWOCK CITY SD	429,395	35.15%	150,933	31.86%	136,805	(14,127)
174	KODIAK ISLAND BOROUGH	2,359,685	49.23%	1,161,673	31.86%	751,796	(409,877)
158	KODIAK ISLAND BOROUGH SD	4,874,624	41.11%	2,003,958	31.86%	1,553,055	(450,903)
128	KODIAK, CITY OF	6,015,174	48.05%	2,890,291	31.86%	1,916,435	(973,857)
125	KUSPUK SD	1,617,224	32.06%	518,482	31.86%	515,248	(3,234)
247	LAKE AND PENINSULA BOROUGH	411,346	41.95%	172,559	31.86%	131,055	(41,505)
164	LAKE AND PENINSULA BOROUGH SD	1,673,423	37.60%	629,207	31.86%	533,153	(96,054)
153	LOWER YUKON SD	4,818,306	35.46%	1,708,571	31.86%	1,535,112	(173,459)
109	MATANUSKA-SUSITNA BOROUGH	12,730,979	33.89%	4,314,529	31.86%	4,056,090	(258,439)
110	MATANUSKA-SUSITNA BOROUGH SD	22,759,596	33.89%	7,713,227	31.86%	7,251,207	(462,020)
193	NENANA, CITY OF	209,537	41.79%	87,566	31.86%	66,759	(20,807)
149	NOME CITY SD	1,734,534	34.58%	599,802	31.86%	552,623	(47,179)
139	NOME, CITY OF	2,532,588	36.02%	912,238	31.86%	806,883	(105,356)
191	NORTH POLE, CITY OF	1,667,144	34.59%	576,665	31.86%	531,152	(45,513)
134	PALMER, CITY OF	3,312,705	43.05%	1,426,120	31.86%	1,055,428	(370,692)
200	PELICAN, CITY OF	155,103	34.82%	54,007	31.86%	49,416	(4,591)
228	PETERSBURG CITY SD	804,936	35.92%	289,133	31.86%	256,453	(32,680)
143	PETERSBURG, CITY OF	4,132,593	41.15%	1,700,562	31.86%	1,316,644	(383,918)
198	SAXMAN, CITY OF	126,122	105.76%	133,387	31.86%	40,183	(93,204)
133	SITKA BOROUGH SD	2,070,752	50.66%	1,049,043	31.86%	659,742	(389,301)
165	SITKA COMMUNITY HOSPITAL	4,559,308	32.58%	1,485,422	31.86%	1,452,595	(32,827)
120	SITKA, CITY AND BOROUGH	9,012,579	43.31%	3,903,348	31.86%	2,871,408	(1,031,940)
123	SOLDOTNA, CITY OF	2,847,540	33.94%	966,455	31.86%	907,226	(59,229)
155	SOUTHEAST ISLAND SD	678,719	68.73%	466,483	31.86%	216,240	(250,244)
167	SOUTHEAST REGIONAL RESOURCE CENTE	1,377,180	34.41%	473,888	31.86%	438,770	(35,118)
113	UNIVERSITY OF ALASKA PERS	136,296,354	33.75%	46,000,019	31.86%	43,424,018	(2,576,001)
137	VALDEZ CITY SD	1,937,697	46.80%	906,842	31.86%	617,350	(289,492)
107	VALDEZ, CITY OF	5,267,186	46.32%	2,439,761	31.86%	1,678,126	(761,635)
146	WRANGELL PUBLIC SD	761,395	41.94%	319,329	31.86%	242,581	(76,749)
135	WRANGELL, CITY OF	2,823,476	47.74%	1,347,928	31.86%	899,560	(448,368)
							(51,680,852)

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Losers FY08 Base

		2	5	6 = 2 x 5	7	8	9 = 8-6
		Gross Salaries					
ER		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate	FY 08 Est. Contribution	Average Rate (05 val)	Cost Share Contributions in FY08	Losers - FY08 cost share > orig FY08
208	AKUTAN, CITY OF	307,967	14.48%	44,594	31.86%	98,118	53,525
255	ALASKA GATEWAY SD	1,040,625	24.18%	251,623	31.86%	331,543	79,920
152	ALASKA HOUSING FINANCE CORPORATION	18,397,143	26.68%	4,908,358	31.86%	5,861,330	952,972
267	ALEUTIAN HOUSING AUTHORITY	969,986	18.92%	183,521	31.86%	309,038	125,516
162	ALEUTIAN REGION SD	167,231	14.48%	24,215	31.86%	53,280	29,065
230	ALEUTIANS EAST BOROUGH	704,070	20.31%	142,997	31.86%	224,317	81,320
244	ALEUTIANS EAST BOROUGH SD	662,056	29.88%	197,822	31.86%	210,931	13,109
259	ALLAKAKET, CITY OF	19,758	14.48%	2,861	31.86%	6,295	3,434
203	ANCHORAGE PARKING AUTHORITY	1,298,338	29.27%	380,024	31.86%	413,651	33,627
283	ANDERSON, CITY OF	43,355	14.48%	6,278	31.86%	13,813	7,535
103	ANNETTE ISLAND SD	570,618	14.48%	82,625	31.86%	181,799	99,173
281	BARANOF ISLAND HA	476,399	15.12%	72,031	31.86%	151,781	79,749
171	BARROW, CITY OF	1,248,265	17.70%	220,943	31.86%	397,697	176,754
219	BARTLETT REGIONAL HOSPITAL	20,709,107	21.87%	4,529,082	31.86%	6,597,922	2,068,840
104	BERING STRAIT SD	7,076,188	24.49%	1,732,958	31.86%	2,254,473	521,515
270	BERING STRAITS RHA	1,078,781	17.62%	190,081	31.86%	343,700	153,618
136	BETHEL, CITY OF	5,809,252	17.40%	1,010,810	31.86%	1,850,828	840,018
144	BRISTOL BAY BOROUGH	1,749,955	29.90%	523,237	31.86%	557,536	34,299
223	BRISTOL BAY RHA	1,375,226	17.66%	242,865	31.86%	438,147	195,282
262	COOK INLET HOUSING AUTHORITY	4,298,799	17.00%	730,796	31.86%	1,369,597	638,802
224	COPPER RIVER BASIN RHA	614,337	17.45%	107,202	31.86%	195,728	88,526
163	CORDOVA COMMUNITY MEDICAL CENTER	2,172,784	29.97%	651,183	31.86%	692,249	41,066
282	DELTA JUNCTION, CITY OF	293,706	17.27%	50,723	31.86%	93,575	42,852
205	DILLINGHAM CITY SD	1,393,179	27.30%	380,338	31.86%	443,867	63,529
178	DILLINGHAM, CITY OF	2,227,329	28.49%	634,566	31.86%	709,627	75,061
271	EGEGIK, CITY OF	45,968	31.40%	14,434	31.86%	14,645	211
116	FAIRBANKS NORTH STAR BOROUGH	19,314,602	29.98%	5,790,518	31.86%	6,153,632	363,115
183	FORT YUKON, CITY OF	401,625	14.48%	58,155	31.86%	127,958	69,802
141	GALENA CITY SD	3,209,254	23.72%	761,235	31.86%	1,022,468	261,233
192	GALENA, CITY OF	1,822,779	16.88%	307,685	31.86%	580,737	273,052
199	HOONAH, CITY OF	689,170	27.46%	189,246	31.86%	219,570	30,323
285	HOOPER BAY, CITY OF	12,600	14.48%	1,825	31.86%	4,014	2,190
168	HYDABURG CITY SD	129,787	25.87%	33,576	31.86%	41,350	7,774
275	ILISAGVIK COLLEGE	3,887,085	16.19%	629,319	31.86%	1,238,425	609,106

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Losers FY08 Base

		2	5	6 = 2 x 5	7	8	9 = 8-6
		Gross Salaries					
ER		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate	FY 08 Est. Contribution	Average Rate (05 val)	Cost Share Contributions in FY08	Losers - FY08 cost share > orig FY08
263	INTERIOR RHA	1,203,929	16.73%	201,417	31.86%	383,572	182,154
284	INTER-ISLAND FERRY AUTHORITY	1,019,517	16.00%	163,123	31.86%	324,818	161,695
265	KAKE CITY SD	366,919	31.20%	114,479	31.86%	116,901	2,422
211	KASHUNAMIUT SD	1,118,236	26.87%	300,470	31.86%	356,270	55,800
151	KING COVE, CITY OF	932,592	26.53%	247,417	31.86%	297,124	49,707
227	KLAWOCK, CITY OF	671,063	15.13%	101,532	31.86%	213,801	112,269
140	KOTZEBUE, CITY OF	3,632,278	17.13%	622,209	31.86%	1,157,244	535,035
287	KOYUK, CITY OF	25,112	14.48%	3,636	31.86%	8,001	4,365
157	LOWER KUSKOKWIM SD	15,647,268	24.45%	3,825,757	31.86%	4,985,220	1,159,463
254	MEKORYUK, CITY OF	3,189	20.53%	655	31.86%	1,016	361
294	MOUNTAIN VILLAGE, CITY OF	34,341	14.48%	4,973	31.86%	10,941	5,968
196	NENANA CITY SD	1,388,620	21.62%	300,220	31.86%	442,414	142,195
175	NOME JOINT UTILITY SYSTEM	883,109	22.82%	201,526	31.86%	281,359	79,833
241	NOORVIK, CITY OF	90,423	15.92%	14,395	31.86%	28,809	14,413
170	NORTH PACIFIC FISHERY MGMT COUNCIL	1,455,558	30.04%	437,250	31.86%	463,741	26,491
276	NORTH PACIFIC RIM HA	1,153,137	17.37%	200,300	31.86%	367,389	167,089
145	NORTH SLOPE BOROUGH	38,915,994	22.96%	8,935,112	31.86%	12,398,636	3,463,523
161	NORTH SLOPE BOROUGH SD	8,890,221	29.57%	2,628,838	31.86%	2,832,424	203,586
220	NORTHWEST ARCTIC BOROUGH	1,043,827	18.24%	190,394	31.86%	332,563	142,169
154	NORTHWEST ARCTIC BOROUGH SD	7,887,420	20.70%	1,632,696	31.86%	2,512,932	880,236
288	NORTHWEST INUPIAT HOUSING AUTHORIT	1,126,996	17.65%	198,915	31.86%	359,061	160,146
257	PELICAN CITY SD	120,470	14.48%	17,444	31.86%	38,382	20,938
187	PETERSBURG MEDICAL CENTER	3,855,146	21.73%	837,723	31.86%	1,228,249	390,526
156	PRIBILOF SD	574,219	29.28%	168,131	31.86%	182,946	14,815
266	QUINHAGAK, CITY OF	28,529	14.48%	4,131	31.86%	9,089	4,958
221	SAINT MARY'S SD	431,096	16.66%	71,821	31.86%	137,347	65,527
172	SAINT PAUL, CITY OF	1,263,904	28.44%	359,454	31.86%	402,680	43,226
176	SAND POINT, CITY OF	925,242	29.98%	277,388	31.86%	294,782	17,395
278	SAXMAN SEAPORT	70,936	28.13%	19,954	31.86%	22,600	2,646
286	SELDOVIA, CITY OF	64,281	21.58%	13,872	31.86%	20,480	6,608
182	SEWARD, CITY OF	4,055,986	31.14%	1,263,034	31.86%	1,292,237	29,203
225	SKAGWAY CITY SD	286,767	16.44%	47,145	31.86%	91,364	44,219
132	SKAGWAY, CITY OF	1,851,825	25.36%	469,623	31.86%	589,991	120,369
102	SOUTHWEST REGION SD	2,197,540	30.08%	661,020	31.86%	700,136	39,116
218	SPECIAL EDUCATION SERVICE AGENCY	421,365	25.10%	105,763	31.86%	134,247	28,484

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Losers FY08 Base

		2	5	6 = 2 x 5	7	8	9 = 8-6
		Gross Salaries					
ER		Est. FY08 (FY07 * 3%)	FY08 Board Requested Rate	FY 08 Est. Contribution	Average Rate (05 val)	Cost Share Contributions in FY08	Losers - FY08 cost share > orig FY08
101	STATE OF ALASKA PERS	848,376,355	44.01%	373,370,434	47.92%	406,541,949	33,171,515
293	TAGIUGMIULLU NUNAMIULLU HOUSING AUT	1,450,856	14.90%	216,178	31.86%	462,243	246,065
166	TANANA SD	153,340	18.98%	29,104	31.86%	48,854	19,750
169	TANANA, CITY OF	96,281	14.48%	13,941	31.86%	30,675	16,734
206	THORNE BAY, CITY OF	276,762	23.11%	63,960	31.86%	88,176	24,217
279	TLINGIT-HAIDA RHA	2,331,908	20.69%	482,472	31.86%	742,946	260,474
280	TOKSOOK BAY, CITY OF	28,493	23.16%	6,599	31.86%	9,078	2,479
249	UNALAKLEET, CITY OF	206,072	29.89%	61,595	31.86%	65,654	4,060
209	UNALASKA CITY SD	850,870	26.87%	228,629	31.86%	271,087	42,458
179	UNALASKA, CITY OF	9,647,494	23.34%	2,251,725	31.86%	3,073,692	821,966
290	UPPER KALSKAG, CITY OF	19,615	14.48%	2,840	31.86%	6,249	3,409
131	WASILLA, CITY OF	4,913,053	24.38%	1,197,802	31.86%	1,565,299	367,496
202	WHITTIER, CITY OF	1,031,368	21.40%	220,713	31.86%	328,594	107,881
264	YAKUTAT SD	289,667	18.96%	54,921	31.86%	92,288	37,367
248	YAKUTAT, CITY AND BOROUGH	744,132	25.22%	187,670	31.86%	237,080	49,410
160	YUKON / KOYUKUK SD	1,493,899	20.02%	299,079	31.86%	475,956	176,878
159	YUKON FLATS SD	947,119	17.17%	162,620	31.86%	301,752	139,132
195	YUPIIT SD	1,743,107	18.26%	318,291	31.86%	555,354	237,063
							52,221,220

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Winners/Losers FY07 as base

Listing includes political subdivisions and school districts that have received rate relief in the past.

ER		Gross Salaries		FY07 Adj Contributio n Rate	4 = 1 x 3 FY 07 Est. Contribution	5 FY08 Board Requested Rate	10 Average Rate (05 val)	11 Cost Share Contributions in FY08	12 = 11-4 Losers FY08 cost share > FY07	13 = 11-4 Winners FY08 cost share < FY07
		1 Est. FY07 (FY06 * 3%)	2 Est. FY08 (FY07 * 3%)							
258	DENALI BOROUGH	151,229	155,766	39.00%	58,979	51.83%	31.86%	49,627	-	(9,352)
129	FAIRBANKS, CITY OF	6,966,796	7,175,800	35.67%	2,485,056	184.95%	31.86%	2,286,210	-	(198,846)
138	HOONAH CITY SD	675,665	695,935	40.36%	272,698	45.14%	31.86%	221,725	-	(50,974)
198	SAXMAN, CITY OF	122,449	126,122	37.84%	46,335	105.76%	31.86%	40,183	-	(6,152)
208	AKUTAN, CITY OF	298,997	307,967	13.32%	39,826	14.48%	31.86%	98,118	58,292	-
230	ALEUTIANS EAST BOROUGH	683,563	704,070	15.23%	104,107	20.31%	31.86%	224,317	120,210	-
259	ALLAKAKET, CITY OF	19,182	19,758	15.00%	2,877	14.48%	31.86%	6,295	3,417	-
203	ANCHORAGE PARKING AUTHORITY	1,260,522	1,298,338	19.18%	241,768	29.27%	31.86%	413,651	171,882	-
173	ANCHORAGE, MUNICIPALITY OF	146,880,650	151,287,070	18.65%	27,393,241	39.33%	31.86%	48,200,060	20,806,819	-
283	ANDERSON, CITY OF	42,092	43,355	13.32%	5,607	14.48%	31.86%	13,813	8,206	-
243	ATKA, CITY OF	96,559	99,456	21.92%	21,166	34.02%	31.86%	31,687	10,521	-
171	BARROW, CITY OF	1,211,908	1,248,265	17.26%	209,175	17.70%	31.86%	397,697	188,522	-
219	BARTLETT REGIONAL HOSPITAL	20,105,929	20,709,107	17.20%	3,458,220	21.87%	31.86%	6,597,922	3,139,702	-
136	BETHEL, CITY OF	5,640,051	5,809,252	15.08%	850,520	17.40%	31.86%	1,850,828	1,000,308	-
144	BRISTOL BAY BOROUGH	1,698,985	1,749,955	17.99%	305,647	29.90%	31.86%	557,536	251,888	-
163	CORDOVA COMMUNITY MEDICAL CENTER	2,109,499	2,172,784	20.14%	424,853	29.97%	31.86%	692,249	267,396	-
148	CORDOVA, CITY OF	2,240,201	2,307,407	19.77%	442,888	52.49%	31.86%	735,140	292,252	-
186	CRAIG, CITY OF	1,618,781	1,667,345	25.33%	410,037	33.56%	31.86%	531,216	121,179	-
282	DELTA JUNCTION, CITY OF	285,152	293,706	14.47%	41,261	17.27%	31.86%	93,575	52,313	-
178	DILLINGHAM, CITY OF	2,162,456	2,227,329	21.16%	458,008	28.49%	31.86%	709,627	251,619	-
271	EGEGIK, CITY OF	44,629	45,968	18.80%	8,390	31.40%	31.86%	14,645	6,255	-
116	FAIRBANKS NORTH STAR BOROUGH	18,752,041	19,314,602	20.93%	3,924,802	29.98%	31.86%	6,153,632	2,228,830	-
183	FORT YUKON, CITY OF	389,928	401,625	13.32%	51,938	14.48%	31.86%	127,958	76,019	-
192	GALENA, CITY OF	1,769,688	1,822,779	13.40%	237,138	16.88%	31.86%	580,737	343,599	-
189	HAINES BOROUGH	1,612,635	1,661,014	27.17%	438,153	43.85%	31.86%	529,199	91,045	-
215	HOMER, CITY OF	4,955,649	5,104,318	17.92%	888,052	35.96%	31.86%	1,626,236	738,184	-
199	HOONAH, CITY OF	669,097	689,170	20.75%	138,838	27.46%	31.86%	219,570	80,732	-
285	HOOPER BAY, CITY OF	12,233	12,600	13.32%	1,629	14.48%	31.86%	4,014	2,385	-
235	HUSLIA, CITY OF	117,103	120,616	23.27%	27,250	40.43%	31.86%	38,428	11,178	-
275	ILISAGVIK COLLEGE	3,773,869	3,887,085	13.90%	524,568	16.19%	31.86%	1,238,425	713,857	-
126	JUNEAU, CITY AND BOROUGH	28,153,387	28,997,989	21.22%	5,974,149	42.56%	31.86%	9,238,759	3,264,610	-
260	KACHEMAK, CITY OF	24,215	24,942	30.37%	7,354	90.23%	31.86%	7,946	592	-
180	KENAI PENINSULA BOROUGH	13,947,886	14,366,322	22.81%	3,181,513	37.39%	31.86%	4,577,110	1,395,598	-
115	KENAI, CITY OF	5,513,392	5,678,794	18.67%	1,029,350	45.71%	31.86%	1,809,264	779,913	-
122	KETCHIKAN GATEWAY BOROUGH	4,560,752	4,697,575	20.49%	934,498	32.18%	31.86%	1,496,647	562,149	-
181	KETCHIKAN, CITY OF	7,947,200	8,185,616	29.92%	2,377,802	52.61%	31.86%	2,607,937	230,135	-
151	KING COVE, CITY OF	905,429	932,592	19.63%	177,736	26.53%	31.86%	297,124	119,388	-
227	KLAWOCK, CITY OF	651,517	671,063	14.35%	93,493	15.13%	31.86%	213,801	120,308	-
174	KODIAK ISLAND BOROUGH	2,290,957	2,359,685	15.00%	343,643	49.23%	31.86%	751,796	408,152	-
128	KODIAK, CITY OF	5,839,975	6,015,174	21.21%	1,238,659	48.05%	31.86%	1,916,435	677,776	-

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Winners/Losers FY07 as base

Listing includes political subdivisions and school districts that have received rate relief in the past.

ER		1	2	3	4 = 1 x 3	5	10	11	12 = 11-4	13 = 11-4
		Gross Salaries			FY07 Adj Contributio n Rate	FY 07 Est. Contribution	FY08 Board Requested Rate	Average Rate (05 val)	Cost Share Contributions in FY08	Losers cost share > FY07
Est. FY07 (FY06 * 3%)	Est. FY08 (FY07 * 3%)									
140	KOTZEBUE, CITY OF	3,526,483	3,632,278	13.32%	469,728	17.13%	31.86%	1,157,244	687,516	-
287	KOYUK, CITY OF	24,381	25,112	15.39%	3,752	14.48%	31.86%	8,001	4,249	-
247	LAKE AND PENINSULA BOROUGH	399,365	411,346	27.90%	111,423	41.95%	31.86%	131,055	19,632	-
109	MATANUSKA-SUSITNA BOROUGH	12,360,174	12,730,979	20.99%	2,594,401	33.89%	31.86%	4,056,090	1,461,689	-
254	MEKORYUK, CITY OF	3,096	3,189	13.32%	412	20.53%	31.86%	1,016	604	-
294	MOUNTAIN VILLAGE, CITY OF	33,340	34,341	13.32%	4,441	14.48%	31.86%	10,941	6,500	-
193	NENANA, CITY OF	203,434	209,537	24.40%	49,638	41.79%	31.86%	66,759	17,121	-
175	NOME JOINT UTILITY SYSTEM	857,388	883,109	14.11%	120,977	22.82%	31.86%	281,359	160,381	-
139	NOME, CITY OF	2,458,823	2,532,588	15.50%	381,118	36.02%	31.86%	806,883	425,765	-
241	NOORVIK, CITY OF	87,789	90,423	13.45%	11,808	15.92%	31.86%	28,809	17,001	-
191	NORTH POLE, CITY OF	1,618,587	1,667,144	20.00%	323,717	34.59%	31.86%	531,152	207,435	-
145	NORTH SLOPE BOROUGH	37,782,518	38,915,994	17.62%	6,657,280	22.96%	31.86%	12,398,636	5,741,356	-
220	NORTHWEST ARCTIC BOROUGH	1,013,424	1,043,827	14.19%	143,805	18.24%	31.86%	332,563	188,758	-
134	PALMER, CITY OF	3,216,218	3,312,705	23.54%	757,098	43.05%	31.86%	1,055,428	298,330	-
200	PELICAN, CITY OF	150,586	155,103	18.86%	28,400	34.82%	31.86%	49,416	21,015	-
187	PETERSBURG MEDICAL CENTER	3,742,860	3,855,146	15.89%	594,740	21.73%	31.86%	1,228,249	633,509	-
143	PETERSBURG, CITY OF	4,012,226	4,132,593	28.53%	1,144,688	41.15%	31.86%	1,316,644	171,956	-
266	QUINHAGAK, CITY OF	27,699	28,529	13.32%	3,689	14.48%	31.86%	9,089	5,400	-
172	SAINT PAUL, CITY OF	1,227,091	1,263,904	17.35%	212,900	28.44%	31.86%	402,680	189,779	-
176	SAND POINT, CITY OF	898,294	925,242	17.11%	153,698	29.99%	31.86%	294,782	141,084	-
278	SAXMAN SEAPORT	68,870	70,936	19.39%	13,354	28.13%	31.86%	22,600	9,246	-
286	SELDOVIA, CITY OF	62,469	64,281	16.64%	10,385	21.58%	31.86%	20,480	10,095	-
182	SEWARD, CITY OF	3,937,850	4,055,986	18.74%	737,953	31.14%	31.86%	1,292,237	554,284	-
165	SITKA COMMUNITY HOSPITAL	4,426,512	4,559,308	21.96%	972,062	32.58%	31.86%	1,452,595	480,533	-
120	SITKA, CITY AND BOROUGH	8,750,077	9,012,579	24.02%	2,101,768	43.31%	31.86%	2,871,108	769,639	-
132	SKAGWAY, CITY OF	1,797,888	1,851,825	19.94%	358,499	25.36%	31.86%	589,991	231,492	-
123	SOLDOTNA, CITY OF	2,764,602	2,847,540	19.46%	537,992	33.94%	31.86%	907,226	369,235	-
169	TANANA, CITY OF	93,476	96,281	13.32%	12,451	14.48%	31.86%	30,675	18,224	-
206	THORNE BAY, CITY OF	268,701	276,762	17.61%	47,318	23.11%	31.86%	88,176	40,858	-
280	TOKSOOK BAY, CITY OF	27,663	28,493	17.28%	4,780	23.16%	31.86%	9,078	4,298	-
249	UNALAKLEET, CITY OF	200,070	206,072	19.87%	39,754	29.89%	31.86%	65,654	25,901	-
179	UNALASKA, CITY OF	9,366,499	9,647,494	18.50%	1,732,802	23.34%	31.86%	3,073,692	1,340,889	-
290	UPPER KALSKAG, CITY OF	19,044	19,615	16.23%	3,091	14.48%	31.86%	6,249	3,159	-
107	VALDEZ, CITY OF	5,113,773	5,267,186	18.91%	967,014	46.32%	31.86%	1,678,126	711,111	-
131	WASILLA, CITY OF	4,769,954	4,913,053	18.91%	901,998	24.38%	31.86%	1,565,299	663,300	-
202	WHITTIER, CITY OF	1,001,328	1,031,368	15.00%	150,199	21.40%	31.86%	328,594	178,395	-
135	WRANGELL, CITY OF	2,741,239	2,823,476	21.72%	595,397	47.74%	31.86%	899,560	304,162	-
248	YAKUTAT, CITY AND BOROUGH	722,458	744,132	17.97%	129,826	25.22%	31.86%	237,080	107,255	-
255	ALASKA GATEWAY SD	1,010,315	1,040,625	18.67%	188,626	24.18%	31.86%	331,543	142,917	-
162	ALEUTIAN REGION SD	162,360	167,231	13.32%	21,626	14.48%	31.86%	53,280	31,653	-
244	ALEUTIANS EAST BOROUGH SD	642,773	662,056	23.72%	152,466	29.88%	31.86%	210,931	58,465	-

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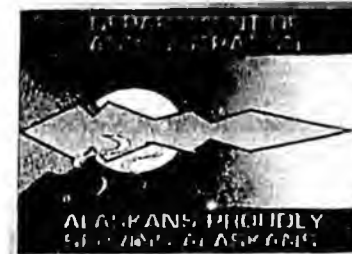
ER		1	2	3	4 = 1 x 3	5	10	11	12 = 11-4	13 = 11-4
		Gross Salaries		FY07 Adj Contribution Rate	FY 07 Est. Contribution	FY08 Board Requested Rate	Average Rate (05 val)	Cost Share Contributions in FY08	Losers cost share > FY07	Winners FY08 cost share < FY07
Est. FY07 (FY06 * 3%)	Est. FY08 (FY07 * 3%)									
111	ANCHORAGE SD	78,832,691	81,197,671	24.25%	19,116,928	40.89%	31.86%	25,869,578	6,752,651	-
103	ANNETTE ISLAND SD	553,998	570,618	13.32%	73,793	14.48%	31.86%	181,799	108,006	-
104	BERING STRAIT SD	6,870,085	7,076,188	18.39%	1,263,409	24.49%	31.86%	2,254,473	991,065	-
184	BRISTOL BAY BOROUGH SD	466,118	480,101	22.10%	103,012	42.77%	31.86%	152,960	49,948	-
105	CHATHAM SD	360,405	371,217	20.93%	75,433	69.18%	31.86%	118,270	42,837	-
121	CHUGACH SD	284,103	292,626	20.21%	57,417	42.23%	31.86%	93,231	35,813	-
112	COPPER RIVER SD	1,226,024	1,262,805	23.26%	285,173	38.55%	31.86%	402,330	117,156	-
185	CORDOVA CITY SD	634,879	653,926	20.46%	129,896	56.88%	31.86%	208,341	78,444	-
204	CRAIG CITY SD	830,645	855,564	23.74%	197,195	35.26%	31.86%	272,583	75,388	-
246	DELTA/GREELY SD	1,263,855	1,301,771	20.79%	262,756	35.15%	31.86%	414,744	151,989	-
118	DENALI BOROUGH SD	1,052,067	1,083,629	23.63%	248,603	42.65%	31.86%	345,244	96,641	-
205	DILLINGHAM CITY SD	1,352,601	1,393,179	18.53%	250,637	27.30%	31.86%	443,867	193,230	-
117	FAIRBANKS NORTH STAR BOROUGH SD	27,314,662	28,134,102	20.91%	5,711,496	36.49%	31.86%	8,963,525	3,252,029	-
141	GALENA CITY SD	3,115,781	3,209,254	18.38%	572,681	23.72%	31.86%	1,022,468	449,788	-
240	HAINES BOROUGH SD	542,294	558,563	21.43%	116,214	35.16%	31.86%	177,958	61,745	-
168	HYDABURG CITY SD	126,007	129,787	15.00%	18,901	25.87%	31.86%	41,350	22,449	-
124	IDITAROD AREA SD	935,571	963,638	22.00%	205,826	35.80%	31.86%	307,015	101,190	-
108	JUNEAU BOROUGH SD	9,248,003	9,525,443	22.93%	2,120,567	39.28%	31.86%	3,034,806	914,239	-
265	KAKE CITY SD	356,232	366,919	21.89%	77,979	31.20%	31.86%	116,901	38,921	-
211	KASHUNAMIUT SD	1,085,666	1,118,236	18.71%	203,128	26.87%	31.86%	356,270	153,142	-
190	KENAI PENINSULA BOROUGH SD	12,707,833	13,089,068	21.81%	2,771,578	45.44%	31.86%	4,170,177	1,398,599	-
177	KETCHIKAN GATEWAY BOROUGH SD	3,516,224	3,621,711	20.86%	733,484	34.44%	31.86%	1,153,877	420,393	-
251	KLAWOCK CITY SD	416,889	429,395	24.83%	103,513	35.15%	31.86%	136,805	33,292	-
158	KODIAK ISLAND BOROUGH SD	4,732,645	4,874,624	19.85%	939,430	41.11%	31.86%	1,553,055	613,625	-
125	KUSPUK SD	1,570,121	1,617,224	19.22%	301,777	32.06%	31.86%	515,248	213,470	-
164	LAKE AND PENINSULA BOROUGH SD	1,624,682	1,673,423	21.58%	350,606	37.60%	31.86%	533,153	182,546	-
157	LOWER KUSKOKWIM SD	15,191,522	15,647,268	18.22%	2,767,895	24.45%	31.86%	4,985,220	2,217,324	-
153	LOWER YUKON SD	4,677,967	4,818,306	17.47%	817,241	35.46%	31.86%	1,535,112	717,871	-
110	MATANUSKA-SUSITNA BOROUGH SD	22,096,696	22,759,596	20.99%	4,638,096	33.89%	31.86%	7,251,207	2,613,111	-
196	NENANA CITY SD	1,348,175	1,388,620	17.79%	239,840	21.62%	31.86%	442,414	202,574	-
149	NOME CITY SD	1,684,014	1,734,534	25.54%	430,097	34.58%	31.86%	552,623	122,525	-
161	NORTH SLOPE BOROUGH SD	8,631,283	8,890,221	21.03%	1,815,159	29.57%	31.86%	2,832,424	1,017,266	-
154	NORTHWEST ARCTIC BOROUGH SD	7,657,689	7,887,420	15.00%	1,148,653	20.70%	31.86%	2,512,932	1,364,279	-
257	PELICAN CITY SD	116,961	120,470	13.32%	15,579	14.48%	31.86%	38,382	22,803	-
228	PETERSBURG CITY SD	781,491	804,936	18.28%	142,857	35.92%	31.86%	256,453	113,596	-
156	PRIIBILOF SD	557,494	574,219	25.06%	139,708	29.28%	31.86%	182,946	43,238	-
221	SAINT MARY'S SD	418,540	431,096	13.32%	55,749	16.66%	31.86%	137,347	81,598	-
133	SITKA BOROUGH SD	2,010,439	2,070,752	24.04%	483,310	50.66%	31.86%	659,742	176,432	-
225	SKAGWAY CITY SD	278,415	286,767	22.63%	63,005	16.44%	31.86%	91,364	28,359	-
155	SOUTHEAST ISLAND SD	658,950	678,719	25.55%	168,362	68.73%	31.86%	216,240	47,878	-
167	SOUTHEAST REGIONAL RESOURCE CENTE	1,337,068	1,377,180	20.28%	271,157	34.41%	31.86%	438,770	167,612	-
102	SOUTHWEST REGION SD	2,133,534	2,197,540	20.30%	433,107	30.08%	31.86%	700,136	267,029	-
218	SPECIAL EDUCATION SERVICE AGENCY	409,092	421,365	14.42%	58,991	25.10%	31.86%	134,247	75,256	-

EST PERS CONTRIBUTIONS - LEVEL \$ AMORTIZATION - COST SHARE - 65% SOA - \$1.7B in POB Winners/Losers FY07 as base

Listing includes political subdivisions and school districts that have received rate relief in the past.

		1	2	3	4 = 1 x 3	5	10	11	12 = 11-4	13 = 11-4	
		Gross Salaries									
ER		Est. FY07 (FY06 * 3%)	Est. FY08 (FY07 * 3%)	FY07 Adj Contribution Rate	FY 07 Est. Contribution	FY08 Board Requested Rate	Average Rate (05 val)	Cost Share Contributions in FY08	Losers cost share > FY07	FY08 cost share < FY07	Winners FY08 cost share < FY07
166	TANANA SD	148,874	153,340	16.59%	24,698	18.98%	31.86%	48,854	24,156	-	-
209	UNALASKA CITY SD	826,088	850,870	21.47%	177,361	26.87%	31.86%	271,087	93,726	-	-
137	VALDEZ CITY SD	1,881,259	1,937,697	15.35%	288,773	46.80%	31.86%	617,350	328,577	-	-
146	WRANGĚLL PUBLIC SD	739,219	761,395	19.96%	147,548	41.94%	31.86%	242,581	95,032	-	-
264	YAKUTAT SD	281,230	289,667	15.49%	43,563	18.96%	31.86%	92,288	48,725	-	-
160	YUKON / KOYUKUK SD	1,450,387	1,493,899	13.70%	198,703	20.02%	31.86%	475,956	277,253	-	-
159	YUKON FLATS SD	919,533	947,119	13.32%	122,482	17.17%	31.86%	301,752	179,270	-	-
195	YUPIIT SD	1,692,337	1,743,107	14.52%	245,727	18.26%	31.86%	555,354	309,627	-	-
					133,547,397			215,515,214	82,233,141	(265,324)	

Department of Administration
FY07 - FY08



	<u>PERS</u>	<u>TRS</u>
Contributions estimated in FY 07 (all sources)	<u>\$354.8 M</u>	<u>\$164.3 M</u>
FY08 Legislation and operating budget		
SB 52/HB 97 Education Bill		
Rate relief for school districts PERS/TRS contributions	\$37.0 M* GF	\$170.5 M* GF
SB 50/HB 95 Budget Bill		
PERS Municipal and Political Sub Division rate relief	\$77.5 M* GF	
Governor's Budget Amendments		
PERS Payroll Base Correction (line 25)	0.6 M* GF	
PERS Non-School Dist. ER rate increase relief (line 26)	0.2 M* GF	
PERS School Dist. Payroll Base Correction (line 27)	0.1 M* GF	
TRS Non-School Dist ER rate increase relief (line 29)		0.5 M* GF
TRS School Dist. Payroll Base Correction (line 28)		1.7 M* GF
Transfer TRS increase funding from agencies to TRS DB plan:		
Education and Early Development (line 22 and 30)		1.0 M* GF
Labor and Workforce Development (line 23)		0.4 M* GF
University of Alaska (line 24)		13.3 M* GF
SOA and University PERS increase (In operating budget for executive and legislative branches)	\$163.8 M* GF	
Total Increase in FY08 Governor's Budget	<u>\$ 279.1 M* GF</u>	<u>\$187.4 M* GF</u>
Non-GF increases – Governor's budget	62.0 M	
Non-GF increases for other employers	<u>2.1 M</u>	
PERS/TRS Estimated Costs (all sources)	<u>\$ 698.1 M</u>	<u>\$351.7 M</u>
CSHB 97 amend TRS rate to normal cost Not reflected in operating budget		\$78.0 M GF

* Note: Included in DOA's FY08 Operating Budget.

Exhibit 4

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PERS Cost Share
 2005 Valuation Rate - Level Dollar Amortization
 SOA takes 65% of 6/30/2005 Unfunded and issues \$1.7 billion in POBs

R & B Estimated Contributions				R & B Impact of changes		
FY07 contribution amounts per ARMB set rates	FY08 contribution amounts per ARMB set rates	Increase	Cost Share - 05 Valuation rate - SOA takes 65% - \$1.7B POB	Cost Share contributions less original FY08 contributions	Relief to Employers whose cost share rate (31.86%) > orig FY07 rate	
Political Subdivisions	81,673,165	159,745,815	78,072,650	136,284,927	(23,470,225)	54,816,392
Political Subdivisions	9,720	9,337				
School Districts	51,471,358	88,558,787	37,087,429	78,657,271	(9,948,661)	27,173,801
School Districts	63,005	47,145				
SE Regional Resource Ctr	271,157	473,888	202,731	430,770	(35,118)	167,612
Spec Educ Service Agency	58,991	105,763	46,772	134,247	28,484	75,256
			Impact on SOA From OMB (excluding University)			
			Funding Source	Post vacancy		
			GF	25,095,400		
			Fed	1,901,100		
			Other	8,924,900		
			Total	35,921,400		
<u>Legislation</u>	<u>Original</u>	<u>Amend</u>	<u>Amended</u>			
SB50 - Poli subs - Budget Bill	77,474,718	597,931	78,072,649			
SB52 - Education Bill	36,991,562	355,372	37,336,934			
Total	114,456,280	953,303	115,409,583			
			GF increase over orig 08 budget (per OMB)	25,095,400	Rate from 44.01% to 47.92%	
			GF savings for University in 08 (per OMB)	(2,542,600)	Rate from 33.75% to 31.86%	
			Total GF cost - revised	104,785,941		
			GF in SB52 and SB50 amended	115,409,583		
			GF added cost (savings) from proposal	(10,623,642)		

Assumptions:
 PERS goes to a cost share
 State picks up 65% of 6/30/2005 unfunded liability
 \$1.7 billion in POBs are issued by 6/30/2007

ESTIMATED TRS CONTRIBUTIONS WITH LEVEL DOLLAR AMORTIZATION, \$0.5 billion in cash, \$2 billion in POBs

Original spreadsheet excluded retiree rehires		3	4 = 1 x 3	5	6 = 2 x 5	9 = 7 + 8			
ER		FY07 Contribution Rate	FY 07 Est. Contribution	FY08 Board Adopted Rate	FY 08 Est. Contribution	Total FY08 Increase over FY07	FY08 Rate after \$0.5B deposit and \$2B FOB	FY08 Contributions after \$0.5B deposit and \$2B POB	FY08 Contributions after \$0.5B deposit and \$2B POB in excess of original FY08 Contrib.
766	ALASKA GATEWAY SD	26.00%	562,197	54.03%	1,203,337	641,140	47.26%	1,052,558	(150,779)
758	ALEUTIAN REGION SD	26.00%	127,884	54.03%	273,725	145,841	47.26%	239,427	(34,298)
780	ALEUTIANS EAST BOROUGH SD	26.00%	572,108	54.03%	1,224,550	652,443	47.26%	1,071,113	(153,437)
701	ANCHORAGE SD	26.00%	52,710,264	54.03%	112,822,064	60,111,799	47.26%	98,585,373	(14,136,690)
770	ANNETTE ISLAND SD	26.00%	515,025	54.03%	1,102,370	587,345	47.26%	964,242	(138,128)
752	BERING STRAIT SD	26.00%	3,245,987	54.03%	6,947,773	3,701,786	47.26%	6,077,212	(870,561)
742	BRISTOL BAY BOROUGH SD	26.00%	243,067	54.03%	520,264	277,198	47.26%	455,075	(65,190)
768	CHATHAM SD	26.00%	255,067	54.03%	545,951	290,883	47.26%	477,543	(68,408)
771	CHUGACH SD	26.00%	337,862	54.03%	723,166	385,304	47.26%	632,553	(90,613)
767	COPPER RIVER SD	26.00%	722,023	54.03%	1,545,432	823,409	47.26%	1,351,788	(193,644)
704	CORDOVA CITY SD	26.00%	525,920	54.03%	1,125,689	599,769	47.26%	984,639	(141,050)
705	CRAIG CITY SD	26.00%	638,323	54.03%	1,366,278	727,955	47.26%	1,195,082	(171,196)
765	DELTA/GREELY SD	26.00%	1,088,920	54.03%	2,330,745	1,241,825	47.26%	2,038,700	(292,044)
764	DENALI BOROUGH SD	26.00%	573,462	54.03%	1,227,449	653,987	47.26%	1,073,649	(153,800)
744	DILLINGHAM CITY SD	26.00%	794,234	54.03%	1,699,994	905,760	47.26%	1,486,984	(213,011)
706	FAIRBANKS NORTH STAR BOROUGH SD	26.00%	16,210,381	54.03%	34,709,853	10,493,472	47.26%	30,360,692	(4,349,171)
735	GALENA CITY SD	26.00%	1,178,166	54.03%	2,521,769	1,343,603	47.26%	2,205,790	(315,980)
707	HAINES BOROUGH SD	26.00%	389,513	54.03%	833,721	444,208	47.26%	729,255	(104,466)
708	HOONAH CITY SD	26.00%	272,002	54.03%	582,198	310,196	47.26%	509,248	(72,950)
709	HYDABURG CITY SD	26.00%	180,855	54.03%	387,105	206,250	47.26%	338,600	(48,504)
761	IDITAROD AREA SD	26.00%	459,768	54.03%	984,095	524,328	47.26%	960,737	(123,308)
710	JUNEAU BOROUGH SD	26.00%	5,877,721	54.03%	12,580,787	6,703,066	47.26%	11,004,405	(1,576,382)
712	KAKE CITY SD	26.00%	186,548	54.03%	399,290	212,742	47.26%	349,259	(50,031)
777	KASHUNAMIUT SD	26.00%	464,708	54.03%	994,670	529,962	47.26%	870,037	(124,633)
746	KENAI PENINSULA BOROUGH SD	26.00%	10,466,902	54.03%	22,403,559	11,936,657	47.26%	19,596,376	(2,807,183)
714	KETCHIKAN GATEWAY BOROUGH SD	26.00%	2,745,257	54.03%	5,870,001	3,130,744	47.26%	5,139,733	(736,267)
717	KLAWOCK CITY SD	26.00%	268,992	54.03%	575,756	306,764	47.26%	503,613	(72,143)
718	KODIAK ISLAND BOROUGH SD	26.00%	3,712,193	54.03%	7,945,649	4,233,456	47.26%	6,950,053	(995,596)
755	KUSPUK SD	26.00%	700,460	54.03%	1,499,278	798,818	47.26%	1,311,418	(187,861)
757	LAKE AND PENINSULA BOROUGH SD	26.00%	874,582	54.03%	1,871,973	997,390	47.26%	1,637,413	(234,560)
754	LOWER KUSKOKWIM SD	26.00%	6,017,315	54.03%	12,879,576	6,862,261	47.26%	11,265,755	(1,613,821)
753	LOWER YUKON SD	26.00%	2,450,581	54.03%	5,245,271	2,794,690	47.26%	4,588,035	(657,236)
722	MATANUSKA-SUSITNA BOROUGH SD	26.00%	16,842,033	54.03%	36,049,012	19,206,979	47.26%	31,532,044	(4,516,969)
719	NENANA CITY SD	26.00%	487,668	54.03%	1,043,813	556,145	47.26%	913,022	(130,791)
720	NOME CITY SD	26.00%	915,887	54.03%	1,960,383	1,044,496	47.26%	1,714,745	(245,637)
736	NORTH SLOPE BOROUGH SD	26.00%	3,808,770	54.03%	8,152,364	4,343,594	47.26%	7,130,866	(1,021,497)
751	NORTHWEST ARCTIC BOROUGH SD	26.00%	3,476,647	54.03%	7,441,482	3,964,835	47.26%	6,509,059	(932,423)
723	PELICAN CITY SD	26.00%	33,925	54.03%	72,615	38,689	47.26%	63,516	(9,099)
724	PETERSBURG CITY SD	26.00%	699,001	54.03%	1,496,155	797,154	47.26%	1,308,686	(187,469)
759	PRIBILOF SD	26.00%	190,178	54.03%	407,061	216,883	47.26%	356,056	(51,005)
748	SAINT MARY'S SD	26.00%	210,952	54.03%	451,526	240,574	47.26%	394,949	(56,576)
727	SITKA BOROUGH SD	26.00%	1,994,032	54.03%	4,268,064	2,274,032	47.26%	3,733,272	(534,792)
728	SKAGWAY CITY SD	26.00%	196,917	54.03%	421,486	224,568	47.26%	368,673	(52,813)